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## Near East/South Asia Report

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14 December 1984

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FORMER PREMIER DISCUSSES SUBSIDY PROBLEM IN DEPTH

Cairo AL-JUMHURIYAH in Arabic 4 Oct 84 p 5

[Interview with 'Aziz Sidqi, former prime minister, by Muhammad al-Hayawan and Thana' Hamid:" "The Current Government Is Being Treated Unfairly and Must Present the People with the Facts;" date and place not specified]

[Text] For a week, as AL-JUMHURIYAH has been publishing the views of experts on the issue of subsidies (views which have been new and bold, and which AL-JUMHURIYAH has presented to the readers and the government in full), it has not stood on ceremony and has not tried to hide the truth, however bitter or gloomy it might be. The issue is of concern to the whole society. It concerns our present and future generations and it concerns our economy, which is suffering from the effects of subsidies in all sectors.

It was necessary that we make contact with the view of an expert who lived through the whole experience, who was a minister in the fifties, established industry and the public sector in Egypt, then took part in the socialist transformation in the sixties, started the processes of expansion in oil exploration and became prime minister at the beginning of the liberalization.

As well as being a man of expertise, he is also a massive reserve of figures and ideas.

The summary of Dr 'Aziz Sidqi's views is that the present government is unfairly treated but that it must present the people with the whole truth, and that the people of Egypt can bear any sacrifice if they know the truth.

The man said that the suspension of investment in industry and the increase in consumption marked the beginning of the current developments.

He said that difficult decisions could be taken, on condition that that be preceded by adequate study.

But let us come to learn the views of the man in full; let us follow up on his conversation from the beginning.

The man said, "When we were preparing for the October war, our economy did not permit anything to be imported and no one was giving us a scrap.

"We waged the war, the war ended, and nothing happened to the people. No shortages occurred, we did not see lines, and we did not have any need to put rations into effect.

"In 1973, the reliance was totally on the government, our resources and production were sufficient for the requirements of war and our local consumption, and we were free of shortages."

#### A Story from Asyut

We said, "This means that the policy of speaking frankly with the masses is an unquestionable necessity, as you said from your experiences."

He stated, "Yes, it is possible for the government to face its responsibilities and speak frankly with the people about everything. In 1973, I held a conference for the people in Asyut. Before the conference, officials in the governorate said 'Refuse all demands, but you have to agree to the remote areas [allowance], a 30 percent allowance for people working in Asyut, because the masses are insistent on it.'

"The conference began, and one person stood up and said, 'The allowance, prime minister.' Five thousand people attending the conference applauded. I told them 'Let us discuss the matter, and we will put what we agree upon into effect.' I sat down for an hour, discussing the issue from all angles and the point that agreeing to it would mean that the wages of all the people working in the government would increase by 30 percent, which the government budget would not allow; we would stop carrying out massive projects. The surprise was that the whole conference applauded, the shortage ended, and no one protested the rejection of the allowance.

"Therefore actually talking with people will win them over, and it is necessary for officials to talk frankly with the people with all the facts. The people will excuse them, because they are people who have a large amount of understanding and responsibility. The important thing is that they know the truth."

#### The Important Thing Is the Actual Cost

We asked, "What is the opinion on the issue of subsidies?"

He said, "First of all let us define what subsidies are, because the word subsidies unfortunately has been misused to the greatest degree, having been used for all purposes.

"Subsidies mean that there is a commodity whose production costs me 10 piasters and I sell it to the public for 8 piasters and defray, as a government, 2 piasters myself. Consequently, I am subsidizing the masses to the extent of 2 piasters. That is the proper conception of subsidies.

"When the government declares that it is subsidizing the Oriental Tobacco Company to the extent of 65 million pounds, does that mean that Oriental Tobacco produces a pack of cigarettes costing more than the price at which it sells it? There is something basic which we sometimes forget, which is production levies. The important thing is the value of the actual cost of production. The company has not run at a loss and has not been subsidized, but it has paid the tobacco levies."

We said, "Oil prices are not in keeping with the world prices."

He said, "The important thing is the real and actual cost of the commodity. On the issue of additives, such as levies and so on, these cannot basically be at the expense of subsidies, because they are not subsidies and have no relationship to them."

#### We Have a Gasoline Surplus

We said, "The question is that there is a price difference between export prices and the local sales prices which comes to \$3 billion a year."

He said, "I cannot agree with that conclusion. During the preparations for the war, they asked me to give out gasoline by ration coupon but I refused because Egypt has a gasoline surplus. I could not export it because the whole world has a gasoline surplus. We reinject the fields with gasoline because of its abundance. I cannot bring it under ration coupons or raise its price."

#### This Is Not Subsidization

We said, "There are direct and indirect subsidies. The railways, for example, lose 200 million pounds a year."

He said, "This is a real loss which results from an increase in costs which is unmatched by rises in fares. It is not subsidization. The basic issue is that we should define subsidies first of all, so that we can manage to confront the issue. Subsidies here are when I buy a commodity at one price and sell it to the public at a lower price and pay the difference out of the government treasury, bread for instance."

"We need to know the magnitude of the problem first of all, after defining the meaning of subsidies and ruling out the goods to which production levies are added. The production levy forms part of the government's revenues and it relies on them and cannot relinquish them."

"Therefore I cannot content myself with the figures the government is advancing concerning subsidies because subsidies as I understand them are different from the subsidies the government is talking about. When we define subsidies in the true economic sense we can then discuss the issue of subsidies."

## Bread and Oil Alone

We said, "If we agree on this definition, we will have nothing left to deal with but oil and bread."

He said, "That is true, because I do not call the other things subsidies."

"The fact that you, as a government, are compelled to impose levies on people because these are revenues for the budget is another matter, totally separate from subsidies."

We asked, "If we remove the production levy from sugar, will its real costs increase?"

He said, "Of course they have increased. The government must study these things. It is not a question of the figures that have been announced. Rather, we must first study the cost of production and whether we can remedy it or not. When I operate a factory at just 60 percent of its capacity, that means shutting down part of the production capacity and it means that the production unit has borne additional burdens. Therefore the cost has increased. If we operate the factory at full capacity, the cost of production will decline."

"Therefore it is necessary first of all that we guide production so that the economic cost will be reasonably in line with the sales price, and in order to guide production."

"In order to arrive at the reasonable cost, we must seek to realize the optimum use of production equipment and machinery."

"Therefore, the starting point is for me to produce a commodity at a sound price, in order to sell it to the consumer at a suitable price even if it is not subsidized."

"It is also necessary to guide consumption as far as subsidized commodities such as bread, for instance, go, in order to limit the abuse of these commodities."

"In spite of all that, the starting point is that the government must have a policy in which the commodities that require subsidies in the economic sense I described, which is that it buys them at a price and sells them at a lower price to the public and pays the difference out of the government treasury, are determined. After determining the commodities, the government will determine the volume of the loss it sustains from that."

## Study Is Very Important

We asked, "Is it enough to speak frankly in cases like this?"

He said, "Study is very important, so that I can offer the masses every detail. That is the government's basic job. The guidance of production represents a basic aspect of the work of the government, especially the public sector, because that is the main producer of oil, sugar, cloth and so forth."

"As long as these are facts and the government has done its duty, let it present the people with the picture it has come up with, so that they will be enlightened and know why the government has done what it has done. There is no reason to be afraid of the masses.

"I might decline to do something you have asked me to do, and you will not get angry with me, because I will be truthful with my excuse and will offer you real justifications; however, you might get angry in the event I lie to you and also the masses. What is the government? It is a representative of the people's in administering the affairs of the country."

#### The Issue Is Greater Than That

We said, "There are two factors in the market, liberalization and emigration. That has changed the patterns of consumption; all the money has been directed toward consumption only, so that the government and public sector employees are now oppressed."

He stated, "You cannot take a particular aspect of the economy and discuss it in isolation as the economic motive force. All economic discussions must be total, not fragmentary, in the sense that I cannot treat prices in isolation from wages and we cannot treat the two together in isolation from production and production competence. I cannot discuss the issue of production in isolation from the economic situation and the balance of payments. All these things complement one another.

"If I do not provide as many goods as possible in the market, their prices will increase. The government cannot price every commodity; that would mean that I am discussing the issue of production in isolation. If we get into the balance of payments and the rise in prices that will automatically draw me into a discussion of the system of wages. I say that I will not be able to increase wages. The answer then will be that it is necessary to retain the subsidies. Therefore everything is interlinked, and if anything is treated in part, to the exclusion of the rest, the treatment will not work."

#### 500 Million at a Signal

He said, "I am very happy that the prime minister has reduced the government's expenditures by 500 million pounds. That means that there was 10 percent in the budget for which there was no need. This was a strenuous process of individual judgment on the part of the prime minister, but doesn't that in itself mean that this is a problem, for you to see what you should spend our budget on, and whether every millieme is in its place? As we have seen, with a word from the prime minister we have 500 million pounds. This is a signal that the cabinet has been studying spending since its formation, and as a whole I am drawing from reality."

We asked, "Can the policy of ration cards offer a solution?"

He said, "I have not studied it, and I cannot state my opinion on it. As long as there is pricing and a policy, let them proceed with it."

## Contempt for the People

We said, "There are commodities which have more than one price, such as rice, which is on the card and [sold] in societies, and then there is rice for tourist purposes."

[Answer] This word "tourist" entails contempt for the Egyptian people. Does rice for tourist purposes mean that it is special rice for tourists and that the Egyptians do not have the right to it? We have learned that unsubsidized rice has not yet been subjected to subsidization, but what does this "for tourist purposes" mean?

The real problem is that Egypt had an economic system, like a building, which was based on foundations, and we have destroyed the foundations and not set out an alternative. The situation now is as we see it.

We asked, "Does that mean a return once more to the era of planning and the guided economy?"

He said, "The question must be studied with care, with the goal of being serious.

"Being serious means really studying issues while refraining from flattering the masses. The government must present the truth and the actual state of the situation when it talks to the people, and a policy must be set forth in which specific priorities are provided within the limits of these possibilities. The maximum priorities you can define merit subsidization, and that might involve limiting the consumption of certain commodities, raising the prices of some commodities, imposing levies on some and subsidizing some commodities.

"When you study a problem and present it, you go out to the people with full truthfulness and objectivity and present them with the picture as it is. When the masses sense that this is the situation and that this is the truth, there is no doubt that the overwhelming majority of the masses will accept what the government accepts."

## Give the Figures

We said, "The expression 'the masses' might apply to the period before the seventies, since the masses were homogeneous in terms of circumstances and well-being and this brought the classes closer together. However, after the liberalization, the picture changed and society was then split up into economic classes which had buying power. Shall we preserve prices, in the light of all this?"

He said, "You must calculate everything on scientific bases. We are supposed to measure the matter by average per capital income in the general context and the average cost of living. On this basis, we can say that there has been a rise in the general level."

We said, "There is a basic problem, which is the absence of sound statistics."

He said, "That is the first difficulty facing us. Give us real figures, and after that we can talk."

#### Liberalization: Introversion Is Difficult

We asked, "Is it possible for us to resume closing down the market once again, now that the people have been provided with all leisure and luxury goods and we have flooded the market with them?"

He said, "It is not reasonable that we should close it down once again, and it was not reasonable for us to let it be wide open. However, it is possible to limit the importation of goods which do not constitute anything basic for the masses."

We said, "You imposed intensive protection on Egyptian industry so that you could build Egyptian factories."

He said, "Had we not established Egyptian industry, we would have had to import; we had neither reserves with which to import nor production. What could we do, except establish domestic industry to meet the masses' needs? That happened, and it played its part."

"The blunder we succumb to is that we import with debts, by borrowing, inundate the market with luxury goods and imagine that that is a kind of advancement."

#### Every Service at Its Price

We asked, "What about indirect subsidies, like the railways?"

He said, "I consider that all services must cover their expenses and that the consumer must defray the expenses of these services. It is not permissible that I pay for the losses of the railway, the television service or other services unless I use them. The rule is that the costs of the service should be at the expense of the people who use them. If there is something wrong with these facilities, we will remedy it."

We asked, "What about electricity prices?"

He said, "The minister of electricity should announce most clearly that the power he produces each year is such and such, that its costs are such and such and I am distributing prices in accordance with cost, while of course paying attention to the difference in prices in the case of necessary, luxury, industrial and other consumption."

We said, "The former minister of industry says that the public sector produces commodities worth 22 billion pounds at the world price and sells it domestically for half this price."

He said, "I believe that the minister of industry means that the public sector saved this much production, which we were supposed to have imported for about \$22 billion. That is, the public sector has saved the government the importation of that amount of goods."

Therefore not only has the government brought prices down below world prices, it has also enabled the citizen, within the limits of these prices, to obtain goods he needs.

"If the industrialization process had not occurred, and had these units not been created, we would not be able to provide them today; that is, even if domestic production is more expensive than the imported price, that is economically preferable. It is true that I sell it for more, but its cost to the balance of payments is less than if it were imported.

"In order to sell a commodity which I sell for 120 pounds, I import a number of raw materials for 40 pounds, and when I sell it at that price I say that that is preferable for the Egyptian economy. But what will be the situation when we sell it for half the price? That is the advantage of the public sector."

We asked, "If we relieve the public sector of social burdens and let it produce as an economic unit interacting with the forces of supply and demand on the market, will that result in having the public sector come to have a basic role in the economy?"

He said, "Let me tell you, the government orders the public sector to follow a specific price policy and commit itself to prices. Therefore, as a result of this, the sector runs at a loss and that provokes discussion. Why should the public sector run at a loss while the private sector profits?

"First, it is not the whole private sector that profits and it is not the whole public sector that runs at a loss. Rather, we rule that we must put the two under the same circumstances and concomitant conditions.

"Shall I leave the public sector free to determine its price as the private sector does? Then the decisive criterion will be that it be dealt with in a manner which will allocate its production as a company at the market price, if the government considers that this price is the same as the price it wants; if it is higher, the government must pay the difference and not tell the company 'Sell at a loss' then tell the company 'You have run at a loss.'

"In the case of ordinary cloth, there is no one textile plant. The private sector produces ordinary cloth, but so does the public sector, and in addition it costs, for example, 35 milliemmes, and I tell it, 'Sell it for 20,' and do not give it the difference, which is 15 milliemmes, so the budget runs at a loss.

"Consequently, the criterion is that we should subject the two to the same circumstances and it is enough for me to profit or run at a loss if the raw materials cost the same price and the circumstances of production are the same."

We said, "Workers' wages in the public sector are lower; this is considered a benefit in its favor which guarantees that profits are realized."

He said, "Do you believe that this is a benefit? The private sector has taken people away from the public sector for low wages, labor that has been

trained over 10 or 20 years; I, as a public sector, have paid the price for training it, and prices have been imposed on my production which have led to a great disruption in the market. Trained workers today set their own wages and do not wait for the public sector to set them for them.

"I had finished establishing 98 training centers by the early seventies, and after that not a single training center has been established up to now. The government is now in the most extreme need of skilled labor, because that has drained abroad; I am happy with this benefit, because they bring \$2.5 billion into the country per year; however, they must have an alternative, and where is the alternative to come from? No place, except the training centers. However, the basis is that there must be productive, domestically trained labor, in order to create a leap in domestic production. The complaint now is that the factories have no workers."

#### We Have Set up Factories at Low Prices

We asked, "Have we paid for the public sector factories you bought, or have we not done so yet?"

He said, "Some time ago, for example, the aluminum factory was exporting more than its cost each year, and the steel rolling mill has been producing its cost for 3 years. We built these factories at low prices. The iron and steel complex cost \$156 million, with the railway and the port of Alexandria, but the new cement plant in Suez cost 140 million pounds, and today, if you want to build this plant, the iron and steel, you will need \$3 billion."

We said, "The accusation directed at the public sector is that we have imported 'artificial' factories. Are there factories of that type?"

He said, "Do you know a factory of that description? Is there a factory which is not producing?"

[Question] As far as nationalization goes, they say that 'Abd-al-Nasir did not build factories, but depended on the factories he nationalized.

He said, "When we took over al-Mahallah, it had less than one quarter of the plants that are in it now. Al-Mahallah today is four or five times what it was. The complex consists of sugar mills spread about, cement plants, and textile mills from Aswan to Alexandria, and then the refineries. Did we take the al-Nasr automobile company from anyone? They tell us, 'What have we taken?'

"The criterion here is the figure on industrial production before 1961, that is, before nationalization, and its figure after 1961 and the establishment of factories, with respect to volumes of production. It is we ourselves who have realized the increase."

#### The Appropriate Circumstances Are Important

We asked, "How competent is the Egyptian worker, in your view?"

He said, "The Egyptian worker is no less smart or apt than the foreign worker of any other nationality in terms of skills, but self-sacrifice and performance are the result of components of production. Give him a machine and a stable, clear-cut work system and he will sacrifice himself. We do not have to make a comparison and say that the Egyptian worker produces five units on a machine while his equivalent in Europe produces 20 units on a machine and the Egyptian worker therefore produces one quarter what the European worker produces. This is unfair. The machine is the means of comparison; in order for the worker to do what he must, he must be trained and work on a machine which will produce for him. Then we can judge him.

"The net result is that if all the supporting conditions are available to the Egyptian worker that are available to his counterpart in the industrial countries, I believe that he will be no less competent; rather, on some occasions, he may be more.

"The other point is discipline, in the sense that the worker in the framework of a specific productive system should perform his duty in full, and if we ourselves do not provide him with this discipline to the adequate extent, do not say that the error is the error of the worker alone; rather, it is the error of the government, which must set out a system and discipline."

We asked, "What level has the level of technology and the machine here reached?"

He said, "We reached the point of 15 years ago, then stopped. We reached in the sixties the strongest levels and brought in advanced technology, but it stopped, and over the period of 15 years it has failed to keep abreast of international production."

We asked, "How can we restore production performance to its level in the sixties?"

[Answer] A study should be made of the condition of every factory and the replacements which must take place. The importation of every new machine must be accompanied by a study on its maintenance and its spare parts, on grounds that we are producing alongside international competition and the machines used must be of the same degree of quality and modernity as those in foreign plants.

Secondly, spare parts must be provided constantly, along with repairs, substitution and renovation. When we add something new we must maintain it, so that it does not become delapidated.

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# OPPOSITION PARTIES OUTLINE VIEWS ON SUBSIDY ISSUE

Cairo Al-AHRAM AL-IQTISADI in Arabic No 822, 15 Oct 84 pp 28-31

[Article by Hiba 'Abduh: "The Opposition Says That In the Subsidy Issue, Guidance Is the Winner!"]

[Text] Even though the subsidy issue is nothing new to anyone writing or reading about it, it has become the number one topic in our national and partisan press, now that President Mubarak has asked all the parties to prepare papers on how to deal with the subsidy issue, said to be "the headache of the Egyptian economy." The subsidy issue is not an independent one in itself, but is one of a series of "disgraces" afflicting the Egyptian economy: housing, subsidies, guiding public expenditures, employment, importing and its effect on national industry, strengthening and developing the public sector, and, finally, guiding consumption and mobilizing savings.

## More Discussion, and More Subsidies

The subsidy issue began arousing concern in 1972, in the People's Assembly's yearly reports on the development plan and the general state budget. Then in 1975, the second session of the National Council for Production and Economic Affairs singled it out for special study and recommended that subsidies be abolished and persons with limited incomes be compensated. The matter has continued to be discussed and studied over the past few years, but even so subsidy allocations in the general budget increased from 108 million Egyptian pounds in 1973 to about 2 billion pounds in the 1981-82 fiscal year. It has stayed at this level or has increased only slightly, as announced by the government a short time ago.

The 1976 shift to using currency incentive prices for some imports has contributed to the swelling of subsidy figures, which brings us to the point that the strategy vis-a-vis subsidies depends on three options. The first is to retain the subsidy system as is; the second is to abolish it; and the third is to guide it. Everyone knows that the first two options would lead to economic problems (in the case of the first) and social problems (in the case of the second). Thus the third choice is the only practical one. But how does one guide the subsidy system? This is what the special committees of the Egyptian parties will try to study and detail in their first experiment in actually sharing in Egypt's economic decision-making. Right now, the causes and cures of the problems of the Egyptian economy need greater national understanding, which ultimately means that all social groups must be receptive to the proposed policies.

The subsidy guidance option, which will be adopted in one form or another by all the Egyptian parties, means formulating a strategy based on determining the efficiency of the Egyptian citizen, the basic commodities needed to sustain this level of efficiency, who deserves subsidies, how to ensure that the subsidies reach those who are entitled to them, and how to control the markets.

#### Subsidies and the Parties

Although not much space has been devoted to the subsidy issue in the programs of some Egyptian parties, it is implicit in the public sector issue, or else is referred to in general in those parties' financial and economic policies. On the other hand, some other parties' programs have devoted much space to it and have discussed it in a scientific manner, coming up with ideas which could be applied practically according to the political viewpoint of those parties. However, all the Egyptian parties alike will be presenting papers on the subsidy issue to President Mubarak in the near future.

Furthermore, even though ideological principles will be evident in the papers the parties will submit to President Mubarak, there will be no political controversy around the subsidy issue. The emphasis will be on coming up with practical solutions based on the facts and figures (open and secret) which the president has promised to give the parties, thereby giving each party the full opportunity to formulate its own concept on the basis of facts supported by figures, and not just on supposition. Thus, this experiment will be an excellent model of the decision-making operation in Egypt.

#### The National Party: General Planning

The program of the National Democratic Party ("Principles and Fundamentals") points out that the most serious problems facing the Egyptian society are economic ones, in spite of all the development efforts. The program says that the average per capita income in Egypt (as of 1977, when the program was published) was only US\$325 a year, whereas the yearly per capita income in many developing, non-petroleum countries is more than \$600. Our exports have dropped, and our national consumption exceeds our national income, forcing us to get loans from the Egyptian Central Bank to meet the budget deficits, as well as foreign loans to meet our consumption needs. The economic openness policy was one way to heal our economy.

Even though this program outlines the effects of and cure for the economic crisis, it gives no details of this crisis, let alone how to treat it, which it terms "general planning." For example, Article 2b of its economic and financial policy says, "The party feels that the private sector should be allowed to participate in the development plan, and should be directed towards development projects by means of tax, currency and price policies. The private sector should continue to be subject to regulations aimed at achieving social peace, including the minimum wage law. Basic, essential commodities should be subject to compulsory pricing and profit limitations."

Article 3b, which deals with the social justice which the state is responsible for establishing, says, "Because of its commitment to the principles of justice, the party feels that living expenses must be reduced and the standard of living raised for persons with limited incomes. Free social services such as education and medical care must be increased, the social insurance system must be expanded to cover all citizens, and taxes must play a basic part in achieving social justice."

#### Subsidies Are a Problem of the October War

Dr Mustafa al-Sa'id connects the subsidy problem with the October 1973 war, saying that prior to that war subsidies had not been a burden on the national economy, since the money allocated for it was limited, and the rate of inflation was not that great. The roughly 108 million pounds allocated for subsidies in 1973 jumped to 419 million pounds the following year, and subsidies have continued to increase, reaching 2 billion pounds in recent years. Dr Sa'id attributes these jumps in the volume of subsidies to the strong wave of inflation which swept over the Egyptian economy in the wake of the October war. From 1973 to 1981, the Egyptian government resorted to increasing subsidies for basic goods consumed by the masses, especially bread, subsidies for which alone amounted to more than 700 million pounds.

Subsidies began increasing year after year, to the point where they became a principal cause of the deficit in the general state budget, especially since public sector commodity prices were being fixed on the low side to limit inflation. In fact, according to Dr Sa'id, solving the subsidy problem will not be easy, in view of considerations of social justice, which is one of the two basic questions connected with the subsidy issue, the second being inflation. Therefore, dealing with the subsidy problem must include fighting and limiting inflation, without impinging on social aspects.

Dr Sa'id says that one proposed solution is to eliminate subsidies and replace them with increased wages and salaries. Another solution which has been proposed is to fix subsidies at a certain level which cannot be exceeded, as well as to guide them and make sure that they reach the ones who actually deserve them.

#### The Grouping Party: Maintain and Reform Subsidies

The Grouping Party's economic and social program, as well as its election platform, takes a definite stand on the subsidy issue, holding that it is one of the seven factors which are creating Egypt's economic problems. The program says, "Subsidies are essential and unavoidable in any country where there are such exorbitant differences in income, so as to guarantee an essential minimum standard of living for low income persons. It is essential to maintain the subsidy system and to reform it so that it can achieve its basic purpose. This can be done by the following measures:

1. Subsidies in material form should be maintained, i.e. selling some essential commodities to the consumers at low prices, meanwhile ensuring

every citizen's right to obtain known quantities of these goods without discrimination, in some cases by means of ration tickets.

2. Subsidies of the final distribution stage of consumer goods and services should be cut back, and all subsidies in various production phases should be eliminated, including price differentials for interest on home loans and food insurance, in order to prevent middlemen and black market merchants from getting a major part of them.

3. Subsidies should be funded through a special fund in the price budget, its income to be derived from tax revenues, customs fees imposed on those able to pay, and from price differentials on goods that are sold for high prices.

4. Customs exemptions, banking privileges and other allowances for commercial projects which produce luxury items should be abolished.

5. The quality and quantity of the bread produced by public sector bakeries should be improved and increased, its price should be fixed, and local production of first-rate flour should be expanded."

#### I Demand the Application of the American Tax System

Dr Isma'il Sabri 'Abdallah, chairman of the committee formed by the Grouping Party to study subsidies, started out by saying that subsidies are not an innovation. "For example, the United States subsidizes all agricultural produce, as does the European Common Market. Therefore, the discussion does not revolve around the principle, but around how to guide subsidies. Who benefits from the subsidies? Which commodities need to be subsidized, and what is the appropriate amount of subsidies for them? How can we make sure that subsidies are not used as a means of illegal gain?"

Dr 'Abdallah comments on the previously-mentioned measures, saying that they will reduce inflation, because financing subsidies through tax revenues is one way to redistribute national income.

He also says, "President Mubarak has given the political parties an excellent opportunity to participate in important decision-making like this, and we welcome it. We have requested certain information, which will be given us, as the president promised, by the relevant ministries. We have also prepared a lengthy list of questions to be studied by the work team formed by the Grouping Party to present our party's idea to the president as one of several basic alternatives from which he can chose. The party's idea will become even more politically acceptable as the quantity and quality of information available to ourselves and the other parties increases. Naturally, leaving aside technical differences relating to figures, the papers to be presented by all the parties will basically differ in their political coloration, and the president and his staff should be able to make a clear choice." Dr 'Abdallah reiterates the importance of financing subsidies by tax revenues, saying, "No one in Egypt would disagree that the growth which has occurred in the private, joint and foreign sectors has not been reflected in increased tax revenues over the last 10 years. The guiding rule in these sectors has

been to not raise taxes, and the tax evasion agency might be rendered ineffectual in a short time. Our stand on taxes is as follows:

1. As is the case with military service, Egyptians must not be exempted from taxes, except for those unable to pay.
2. Taxes should be levied on all income earned in Egypt.
3. The United State's tax collection system should be applied here."

#### Al-'Amal: Reform Is Like Plovers

The program of the Labor Party does not deal directly with the subsidy issue, but speaks of "good management of the state's financial revenues," which it defines as follows:

1. guiding and bearing down on government expenditures and simplifying official procedures;
2. ending the wasting of foreign currency revenues on the expenses of our offices overseas;
3. restricting the government's powers to issue paper currency, in order to prevent it from financing projects and paying off general budget deficits by printing more paper money. This practice leads to more money being circulated without any comparable increase in production, thereby bringing about currency inflation and rising prices.

Vice Chairman of the Labor Party Dr Muhammad Hilmi Murad, who heads the party committee formed to study the subsidy issue, says that the subsidy issue cannot be treated separately from the economic issue as a whole, because subsidies have been decided on because of an unhealthy economic phenomenon found in the society--rising prices for basic consumer goods, which make up the major part of the citizens' living expenses. This is what has forced the government, out of its awareness of its duty to maintain social peace and not subject the poorer classes to poverty and deprivation, to decide to subsidize these goods.

Dr Murad adds, "Reform is like a flock of plovers; if one bird starts out, the rest must follow. Here I am referring to the need to cure and reform the entire social situation, so as to narrow the wide gap between the prices for supply goods and the income of limited income groups who make up most of the population. This could be done by increasing production, which would make these goods abundant and lower their prices. Furthermore, the high income classes must not be allowed to throw money around right and left in full view of everyone without paying the general treasury the income taxes it deserves.

If only the society and those taxpayers subject to income tax could be counted, and taxes gotten from them in return for the services the state provides them, the state would not suffer from this huge deficit in the general budget."

## The Solution

Dr Murad continues, "Ever since February 1982, we have asked the government to deal with the economic problem as a whole, which would allow it to gradually eliminate a portion of the subsidies each year. In another context, the state, along with fighting tax evasion, should allocate, out of its revenues, especially tax revenues, whatever sums are needed to pay price differentials relating to subsidies."

But how can subsidies be guided?

Dr Murad says, "First, basic supply commodities must be subsidized directly and materially. After that, the segments of the population which deserve these subsidies should be determined, and the goods produced by the public sector companies (for example) should be distributed to them by means of ration tickets, at subsidized prices. In general, we will concentrate on just the subsidy issue in our study, as President Mubarak requested, in light of the available data. At present we are conducting a regional survey to determine which segments deserve subsidies and how to get the subsidies to them. However, the government must get a stronger grip on the big taxpayers who are evading taxes. I just happened to read a report by an official in the tax administration, dealing with negligence in collecting taxes, especially from a huge number of large tax payers whose taxes could cover the state's deficit resulting from subsidies!"

## The Wafd: There Are Considerations

In its program, the Wafd Party has adopted the theory of the free economy. Its program says that the pricing policy must be dropped, and price determination should be left to the forces of supply and demand. This constitutes a basic stand on the subsidy issue, but since President Mubarak has requested a study of the subsidy issue, the party has gone ahead and established 19 committees to study the various social and political considerations, let alone the economic ones, of the subsidy issue.

Yasin Siraj-al-Din says, "The subsidy issue is not so simple that we can definitely say that subsidies should be raised or left alone. In studying this issue, we must take into consideration a number of social, political and security factors. It is also important to study the various segments of Egyptian society, which has changed radically in the last quarter century. New groups have emerged whose income has changed upwards, while there is a very large group of citizens with fixed incomes who actually deserve subsidies."

Siraj-al-Din adds that subsidies must be determined within the narrowest possible context, for there are many commodities from which subsidies should be lifted, while there are other goods which can be subsidized.

### The Liberal Party: Abolish Subsidies

The Socialist Liberal Party has adopted approximately the same position, although it parts company a little in the direction of more economic freedom.

The party program calls for totally liberating the Egyptian economy and freeing the private sector from all customs, currency and tax restrictions. However, on the other hand, it demands the application of a tax policy which would guarantee revenue for the state which would help pay off the state's general budget deficit.

Liberal Party Chief Mustafa Kamil Murad explains this tendency (especially with respect to subsidies) as follows: subsidies must be abolished over the next 3 to 5 years, and should be given to the citizens in the form of higher wages. This would cut off any opportunity for middlemen and brokers to get rich at the expense of the people.

### The Ummah Party: Between Shari'ah and Subsidies

Although the Ummah Party, the newest party on the Egyptian scene so far, has not yet published its program, which Party Chief Shaykh Ahmad al-Sibahi says does exist, the party chief affirms that this program has a cure for Egyptian problems, and that the Islamic Shari'ah is the key to this solution.

Ahmad al-Sibahi says, "Like the other parties, we have formed a committee to study the subsidy issue. The general lines of our party's solution revolve around production. Whenever there are abundant commodities of good quality--i.e. when the market is governed by supply and demand--those commodities will not need to be subsidized. This is our long-range goal. The short-range goal is for cash subsidies rather than subsidized commodities, provided that these cash subsidies be flexible and change with price changes. Thus, once we determine who deserves subsidies, we will save half the money allocated for subsidies (2 billion pounds), and subsidies will be financed directly from tax revenues."

Al-Sibahi says that indirect subsidies must be eliminated, and the people must help the government pay for education, health, and all other services. Otherwise, the luxury of free services will eliminate us!

### Several Topics Remain

The first and most important topic is taxes. All the parties, from the far left to the far right, agree that taxes are the largest pool of revenue available to the state, and that even so it is not being exploited. Therefore, all the parties are calling on the state to strengthen its grip on the big taxpayers and the tax evaders, whose tax payments would equal or exceed the deficit in the general state budget (according to more than one source).

Some of the solutions proposed by the parties coincide, while others differ and are even contradictory.

There is no doubt that President Mubarak is faced with two choices. He can either select one of the proposed alternatives, or he can use these alternatives to formulate a paper which would more or less embody all the parties' stands on how to deal with the subsidy problem.

As I see it, the parties must consider all the other parties' alternatives when they sit down at the discussion table, so as to allow a better, less constrained political debate.

The state must provide data and information pertaining to our six other national economic issues under the same conditions as with the subsidy issue.

This way, some day soon we will see positive steps being taken towards actually solving the economic problem.

8559

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ASSISTANT SOCIALIST PROSECUTOR DESCRIBES BANK INVESTIGATION

Cairo AL-JUMHURIYAH in Arabic 11 Oct 84 p 7

[Interview with Husni 'Abd-al-Hamid, assistant socialist prosecutor, by Muhammad al-Hayawan: "We Are Not Putting the Banks on Trial; Rather, We Are Trying Some Aberrant People in Them;" date and place not specified]

[Text] I have written more than once against the socialist prosecutor, the fact that he exists, his legitimacy and his decrees, and the effect of that on the economy and the course of liberalization. I have said more than once that the economy is not compatible with the police or with a socialist prosecutor and that an open economy needs fixed rules which will distinguish what is permissible from what is forbidden, where we praise the people who have engaged in what permissible in order to succeed and those who have engaged in what is forbidden have to bear the consequences of their acts, be that tax or customs evasion, commercial fraud, or fraud in terms of health. We have said that the ordinary laws are enough to protect society from the evils of the open economy.

I brought all this before the assistant socialist prosecutor, Counsellor Husni 'Abd-al-Hamid, so that he might perhaps express an opinion on it; this opinion might be convincing to some people, while others might reject it, but the issue is just one of looking for the truth.

I told the assistant socialist prosecutor:

"You have been accused of terrorizing capital and the private sector."

He said, "That is the claim which people who act corruptly raise, because the socialist prosecutor does not challenge legitimate activities. To the contrary, the socialist prosecutor works to support them and instead challenges aberrant acts. One cannot be silent about these under the pretext of fear of infringing on economic activity itself. Indeed, being silent about aberrant acts of necessity leads to the destruction of economic activity, not just to blows against it."

## Bank Salaries

I said, "Your question on the salaries of people working in banks in the 'Isamat al-Sadat case was the first blow at the banks."

He said, "We had to ask that question, because the privileges of position must be matched by responsible performance. It has been noted that when public employees are in a position where a financial transaction or transaction involving money takes place, their salaries have to be high enough so that they will be above malfeasance; if malfeasance is committed, the absence of large salaries is the cause of it. What does it mean when an official in the bank has the privilege of an official salary that comes to 20 times a similar salary elsewhere, outside the banks, and then commits an act of extreme aberrance? It means that the magnitude of the great legitimate income has not realized its desired end, and therefore it becomes necessary that the image of the aberrant person be placed alongside the magnitude of the income available to him, so that everyone will realize the horrible nature of the negligence to which he has succumbed."

## The People's Money

I asked, "How is it that the money of private banks has been ruled to be public money?"

He said, "Because it is the citizens' money, and any damage done to it ought to be subjected to investigation, exactly as with public money.

"Therefore, the claim which some participants raised during the trial, that the money was ours and no one has anything to do with it, is a claim which has lost all foundation, because the money of banks is not the money of the founders, but rather the money of the citizens conducting the transactions and making the deposits."

I asked, "If the people responsible for the banks in this case acted aberrantly, in your view, why wasn't a trial held?"

He said, "There were special circumstances which prevented them from being subjected to investigation. It is a scandal that although they were condemned by the material corroborating the verdicts that were handed down, there was an obvious concern to increase privileges on their behalf.

"That means that the trials and the dealings made with these people had absolutely no connection with one another."

## The Contractor and the Key Money

I asked, "You have been charged with freezing housing activities following the trial of the famous contractor. What crime did the man who built all these buildings, was prepared to build others, and found himself persecuted by the governor and the socialist prosecutor commit?"

He said, "This contractor took key money from citizens and did not deliver them apartments. The citizens lodged complaints, and we started the

investigation. There are others in construction whom we have not stood up to oppose."

I said, "However, he says that the socialist prosecutor confiscated his property, which came to 15 million pounds, in exchange for just 1.5 million in key money."

He said, "That is not true. The value of the key money was 6.5 million, and his property was not that great, since it could not be sold, in light of its problems."

I said, "The whole system, up to the court of values which is reviewing his cases, has been subjected to much protest from the people."

He said, "The choice of judges in the court of values is contingent on selection by the higher council of the judiciary, like any other court."

"If there is any objection to the presence of public figures in the court of values, it is without merit, because there are other courts which include public figures, such as the department of parties in the Council of State and the agrarian reform and rents courts."

"Nonetheless, care has been taken to have the public figures in the court of values be former members of the judiciary."

#### The Law on Impropriety Is Treated Unfairly

I said, "By your own admission, 660 million pounds have been frozen and are under sequestration."

He said, "The property that has been put under sequestration is being administered in a manner which is in keeping with the nature of the property. If they are factories, we assign competent leaders to run them, if they are schools we assign education departments to run them, and so forth."

I said, "But the revival of sequestration at the hands of the socialist prosecutor is to be considered a violation of the investment law, which prohibits sequestration, confiscation and nationalization."

He said, "The investment law prohibits administrative measures. The rulings the judiciary hands down cannot be considered subject to objections on the part of anyone. What the laws on the socialist prosecutor and the court of values have realized is an enormous advantage."

I said, "But the law by which the court gives rulings is a flexible, broad one which can accommodate everything. Therefore the law on impropriety is to be considered terroristic for everyone, and it has been subject to objections from everyone."

He stated, "We have been unfair to the law on impropriety and have given it greater significance than what actually is the case. It must be realized that the law on impropriety which has provoked all this was applied only in one case, that of Sa'd al-Shadhili."

"The strange thing is that the penalties which this law involves are so minor that they shrink to insignificance in the face of any penalties in any other law.

"The law with which we conduct dealings before the court of values is Law 34 for 1971 regulating the imposition of sequestration and guaranteeing the people's safety. It is a law which no one has objected to; it was issued by the People's Assembly formed after al-Sadat came to power, it is the law by which al-Sadat ended all forms of administrative sequestration, and it was no longer permitted for sequestration to be imposed on people's property except by a verdict issued by the judiciary."

#### Al-Shadhili's Pension

I asked, "While on the subject of al-Shadhili, why was he deprived of pension, a matter which is in violation of the constitution?"

He said, "No citizen who flees, escaping from his country, has any rights. If al-Shadhili were present, we would have paid him his pension."

I said, "It is being bruited about that the socialist prosecutor files cases by request and that he brought Rashad 'Uthman to trial to satisfy 'Ismat al-Sadat."

He said, "That is not true. We tried Rashad 'Uthman on the basis of a notification from the competent bodies in the government, as was the case with 'Ismat al-Sadat. It should be noted that the attack the defense launched in the 'Ismat al-Sadat case was founded basically on the notifications presented by the office of the state security investigator.

"I would like to stress that no case which the socialist prosecutor has presented to the court of values has not been backed by legal work which the appointed members of the judiciary in the agency of the socialist prosecutor have carried out. If a case had been presented for the sake of publicity, or in accordance with someone's desires, the technical members of the socialist prosecutor's agency would not have deserved the honor of belonging to the judiciary bodies."

I asked, "Has it happened that notices have been presented and that the socialist prosecutor has rejected them?"

He said, "The important thing is not the contents of the notice but rather the results the investigation yields up. The notice is only the beginning of the investigation process; after that, the connection between the notice and the results the investigation yields up is severed.

"Many notices have been presented where investigation revealed that the material cited in them was not correct, and their destiny has been the file cabinet."

#### Hard Currency Trading

I told the assistant socialist prosecutor:

"What was lawful yesterday is now suddenly forbidden. The police, overnight, have made raids on hard currency dealers, the minister of economy has sealed the accounts of hard currency dealers and the socialist prosecutor has taken hard currency dealers to trial."

He said, "First of all, there are no prohibitions except on those things the law has prohibited, and nothing is permitted except those things the law has permitted; the activity of dealing in hard currency is not legal, regardless of who is taking part in it. The agency of the socialist prosecutor had the honor of standing up to the hard currency trade at a time when all the agencies of the government were ignoring it, and if we review past years it will be apparent that the agency of the socialist prosecutor filed many cases bearing on hard currency dealings and issued rulings regarding most of them imposing sequestration on the people who engaged in this activity, on grounds that it is an activity which brings harm to the economic interests of the society."

I said, "That might be correct with regard to people who deal in hard currency in kiosks or on streetcorners and are different from people who deal, import hard currency and sell hard currency domestically through banks."

He said, "Hard currency dealings are prohibited in Egypt regardless of where they are pursued. Where there are loopholes in the legislation, hard currency dealers have been able to go through them and exploit them. The fault here is in the legislation, not in the evil of the deed itself. Therefore, currency dealing in Egypt will continue to be the object of disputes, controversy and also the imposition of penalties as long as it is not controlled by rules and regulated by specific laws and bills."

"It is a source of honor to the agency of the socialist prosecutor to have made a declaration 2 years ago in an annual report about the legislative solutions which must be issued so that this activity will assume stable, secure legal form. However, most unfortunately, these recommendations have not met with a receptive audience so far, and I do not believe that they will, because it has been definitely proved that regulating the hard currency trade in Egypt in a specific manner will result in the loss of opportunities. It is in the interests of many individuals who are concerned with the existence of the loopholes that exist now that they continue; this will ultimately realize their financial interests without the slightest consideration for the higher interests of the country."

I asked, "What is the crime in dealing in hard currency through banks?"

He said, "The commission of the crime does not lie in owning hard currency but rather in dealing in it in cases which are not permitted by law. The hard currency dealer always pursues his activity in places other than those which are specified by law, because he has no interest in legitimate currency dealings. The recommendations of the socialist prosecutor were for this reason."

There Are Other Crimes

I asked, "What is specified by law?"

He said, "Those are the legal channels in which the law has permitted dealings in foreign currency, such as banks."

I said, "The people going to trial have not done anything other than that."

He said, "There are other crimes which will be announced at the proper time."

I asked, "What are the rulings in the case of agencies which have dealt with currency dealers and have received hard currency from them, such as the National Bank, for example?"

He said, "Everyone who has participated in unlawful activity of any kind in hard currency dealings in a manner prohibited by law, in my view, is equally responsible, whether he is a hard currency dealer or engages in transactions with a hard currency dealer."

"Rather than saying that necessity has compelled some government sectors to conduct transactions with hard currency dealers, it would be more appropriate for us to hasten to issue the legislation proposed by the socialist prosecutor, especially since it is not hard to solve the problems we are suffering from. What is difficult, rather, is having the desire for a solution."

"We must not continue to bury our heads in the sand in coping with this problem. Rather, we must set out the legislative solutions for it, which will guarantee that the appropriate method for meeting the government's hard currency requirements exists."

#### The Egypt of Integrity

I asked, "Who is interested in meeting the private sector's requirements?"

He said, "The regulation which the socialist prosecutor has proposed will be sufficient for all people dealing in hard currency, whether in the government or the public or private sector, as far as providing hard currency resources and dealing in them in an atmosphere of security, free from investigations, are concerned."

I said, "They say that the case is a trial of the banking sector."

He said, "That is not the situation. Rather, it is a trial of some persons who have acted aberrantly in the bank sector and have committed mistakes which have actually inflicted extreme harm on the Egyptian economy."

"Being silent in the face of these mistakes means legally victimizing the Egyptian economy and legalizing the manipulation of it. This is to be rejected and it is not acceptable from anyone; it will not deter the agency of the socialist prosecutor from challenging the aberrant acts of certain people working in the banks if the claim that it 'causes a shock to the Egyptian economy or a loss of confidence in it' is raised. The necessary thing is that we raise the claim that 'a strong Egypt is an Egypt of integrity.' That is the claim that most deserves to be applied."

I asked, "Why has the socialist prosecutor been silent so far?"

He stated, "This is not the first case. We have taken the initiative of taking on every incident of which the socialist prosecutor has received notice, in regard to currency dealings; this is one in a series of currency dealer cases."

I asked the assistant socialist prosecutor:

"Don't you believe that the agency of the socialist prosecutor is giving itself more than its actual weight when it imagines that it is able to solve the housing shortage, the hard currency shortage and all the shortages in Egypt?"

He said, "If we accept that opinion, that will be insulting to the Egyptian constitution and the laws which have been issued by the legislative authorities in Egypt. If we go back to the stipulation bearing on the socialist prosecutor, we will find that he is standing right at the limits which the constitution has specified for him, not beyond or behind."

In conclusion, I cannot say that I have fully expressed the private sector's view concerning the socialist prosecutor, although I have tried. At the same time, perhaps the view which the socialist prosecutor has expressed will provoke controversy on the role and duties of the socialist prosecutor. In the climate we are living in, there is no harm or detriment in holding discussions in complete freedom, because discussions, ultimately, will bring us to the solution society wishes for its crises and its issues.

11887

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ABU GHAZALAH'S NEW ROLE IN NATIONAL DEMOCRATIC PARTY DISCUSSED

London AL-SHARQ AL-AWSAT in Arabic 1 Nov 84 p 9

[Article by Ahmad Baha'-al-Din: "Daily Journal: Field Marshal Abu Ghazalah and the Political Office"]

[Text] Many newspapers published in Arab countries have placed considerable emphasis and interest on the news that Field Marshal 'Abd-al-Halim Abu Ghazalah did not join the new political office of the ruling party in Egypt. The newspapers regarded this news as very significant; the facts, however, are quite otherwise.

When President al-Sadat changed the country's political system and went from a single political organization, whose by-laws clearly stipulated that it was to include "farmers, workers, national capitalists, intellectuals and soldiers," to a multi-party system, he did not adopt all the logical requirements of a multi-party system. Foremost among those requirements is that the commander in chief of the armed forces was not to be a member of any one of the parties. It is assumed that one of these parties will be in power one day and in the opposition another.

Ever since President Husni Mubarak took office, efforts have been made to get closer gradually to the well-known requirements of a multi-party system. In the course of these efforts it became obvious to the president that having the commander in chief of the armed forces in the party's political office was unusual.

Field Marshal 'Abd-al-Halim Abu Ghazalah was of the same mind. He thought this was a situation that was unsuitable to the armed forces' national role. He thought the armed forces should stay out of the domestic political game even if the positions of commander in chief and minister of defense were held by the same man. That would be more like having [in the cabinet] other professional ministers who were not party members. To those in the know, therefore, that change did not come as a surprise at all. In fact, they knew it was coming and they were sure it would happen.

As a matter of form, however, it was not acceptable that a separate decree be issued removing Abu Ghazalah from the political office 1 or 2 years earlier, for example. But there was agreement on the principle so that the army can become an institution for the country and any suspicion about its partisanship would be dispelled, even though such partishanship did not exist.

Therefore, this change was made when the first opportunity for change within the political office itself presented itself. This was thought to be the best way for issuing a decree that had been agreed upon and that had actually been in effect for quite some time.

The minister of the interior has always been a member of the party's political office. That is customary in a multi-party system, and there is nothing unusual about it. However, Egypt's present minister of the interior, Maj Gen Ahmad Rushdi did not join the political office. It is my judgment that the reason for that lies in the fact that it has been customary for some time in Egypt for the minister of the interior to be a member of the police corps and not a civilian politician. Consequently, it is most likely that the same thing was taken into consideration: that there be a feeling that the police agency is a non-partisan organization from its highest to its lowest positions, as long as it has been a rule for almost a quarter of a century that the minister of the interior be a member of the police corps.

8592

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OPPOSITION VIEWS ON EMERGENCY LAW EXTENSION

London AL-SHARQ AL-AWSAT in Arabic 3 Oct 84 p 6

[Article: "After Decision Extending Emergency Law, Egyptian Opposition Studies Law To Combat Terrorism"]

[Text] Cairo--What is the view of the Egyptian opposition parties concerning the emergency law, which has been extended, and what is their view on the report being circulated concerning the draft of a new law called the law to combat terrorism?

A split has occurred within the ruling National [Democratic] Party: its leadership has divided between those pressing to have the party respond promptly by drafting an alternate law so that it is not said that the opposition pressured the National Democratic Party into a response and those who are refusing to abrogate the emergency as long as it is not enforced against anyone.

There are also some in the National Democratic Party who deny that a draft law with these essentials is under study.

First, the chairman of the Socialist Liberal Party emphasizes the need to abrogate the emergency law, because there is nothing to justify it or its continuation. He says that if application of the law was necessary immediately after the assassination of al-Sadat, nothing requires it now, after the stabilization of conditions.

The Anglo-Egyptian Law

The chairman of the Liberal Party acknowledges that given what Dr Fu'ad Muhyi-al-Din, the former Egyptian prime minister, said about the existence of a law to combat terrorism in England, there should be no fear of Egypt's having a law with the same goal. According to him, the Liberal Party went to the British embassy in Cairo to examine the English law. The party found it to be a very reasonable law, with no infringements of citizens' freedom. But in relation to Egypt, in spite of the government's repetition during debates on renewal of the emergency law last year that it had no objection to abrogation of the law and issuance of a law to combat terrorism, it has submitted nothing of this sort to date. We hope

that it will submit it in enough time for us to study it before the debates. It could conceivably be harsher and stronger than the emergency law.

Muhammad 'Abd-al-Shafi, deputy chairman of the Liberal Party, says that the party hopes to be finished with work on the emergency law by the end of this year, and if the law to combat terrorism set forth is an exact replica of the emergency law, we will reject it, because current conditions do not merit it.

#### To Debate or Not

About the issue itself, the chairman of the Socialist Labor Party says that the party demands repeal of the emergency law and discontinuation of its use, because the current laws have the capacity and ability to deal with any situation pertaining to resisting terrorism. However--says the chairman of the Socialist Labor Party--the party is not opposed to discussion of new laws and ideas with which the government wants to replace the emergency law.

Eng Ibrahim Shukri adds that the party will never hesitate to study this law seriously and well, as long as it bears no resemblance to being another form of the emergency law under a different name. In such a case, if there is similarity in all but name, the party will not agree to it.

Eng Ibrahim Shukri says that replacement of the emergency law with another law is more dangerous than the emergency law itself. If the law produced is a form of the emergency law, then it means continuation of the current condition and situation, as they are, whereas with the emergency law, it is well known that a time will come to raise or end it.

#### Bad Effects

Counselor Fu'ad Nushi, assistant secretary and secretary of information of the Socialist Labor Party, discusses the issue from another viewpoint. He says that the party considers the maintenance and extension of the state of emergency in Egypt is inflicting serious damage on the domestic and foreign situation. Domestically, it is enough for foreign businessmen or tourists to know that Egypt is governed by an emergency law for them to abandon economic, political, or tourism dealings with Egypt.

He adds that many states are compelled to announce a state of emergency, but then cancel it after its justification ends. However, even though those accused of the assassination of al-Sadat have been tried, and the situation in Egypt has stabilized, we fear there is insistence on continuing the emergency. It is enough that Egypt is not now witnessing any sign for the necessity of imposing the emergency law.

Counselor Fu'ad Nushi rejects the idea that the place of the emergency law be filled by a law designated to combat terrorism, especially under

the condition of the lack of restraint which we suffered during the last session of Parliament.

He adds that what is beneficial is the government's trust in the people, and the reverse, not an excess of law. This is accomplished by means of democratic dialogue among the citizens, the government and the parties, whether in opposition or in the government, and providing opportunity for expression of different opinions in the press, radio and television, so that the dialogue of words can take place rather than a dialogue of cannon and rifle shots.

Counselor Fu'ad Nushi emphasizes that the Labor Party will resist strongly and by all means issuance of any new law limiting freedoms significantly, whatever the claims that it pertained to combating terrorism or to guaranteeing security.

Mr Lutfi Wakid, a member of the central secretariat of the [National Progressive Unionist] Grouping Party, says that, based on the fact that there are states that have a law opposing terrorism, we are obliged to ask if we, in this matter, take from any state whatever evil it has, but in matters of work, life, and democracy, we neglect to do so. Mr Lutfi Wakid asks: If they remembered that the English have a law to combat terrorism, do they not remember that they also have legal parties and freedom of assembly and laws for their freedoms.

A member of the central secretariat of the Grouping Party adds that in a state such as England, even if a million evil laws limiting the freedom of its citizens were issued, they would never be executed, because there are a thousand types of oversight. Nevertheless, the laws we have are enough for us as long as the people have faith that the government aims for implementation of genuine democracy free of limitations and obstacles.

#### We Reject Terrorism

Dr Rif'at al-Sa'id, a member of the central secretariat of the Grouping Party, says about the same subject: The Grouping Party was opposed on principle to the emergency law and considers it a restriction, even if an abstract one, of the freedom of citizens and the freedom of the individual, although we also are against terrorism. Disregarding terrorism itself and its motivation, it is an ineffective tool for the political work of society.

Since we strongly reject each element of the emergency law, we are ready to study any law opposed to individual armed terrorism, provided that it has no elastic paragraphs which confuse political opposition in its various forms with freedom of expression in all of its forms, including the right to strike and the right to peaceful demonstration, and that the paragraphs of the law are clearly defined and delimited to preventing individual armed terrorism only.

Dr Rif'at al-Sa'id emphasizes that if the law to combat terrorism is another form of the emergency law, the Grouping Party will reject it strongly, and will consider it nothing more than a legal trick to retain the state of emergency. This--by means of a new law-- would be calamitous, because it would legislate the emergency and would transform it into a permanent situation.

#### Wafd Studies

In the Wafd Party, Fu'ad Siraj-al-Din, chairman of the party, commissioned his deputy and chairman of the party's legal committee, Dr Wahid Ra'fat, to prepare a comprehensive study of all the laws which the committee deems to be disadvantageous at the current time, as well as those laws which come close to restriction or infringement of freedoms, preparatory to submitting it to Parliament, particularly since President Mubarak, in his last speech opening the current session of parliament, mentioned that among the tasks particularly desired of the Assembly in its current session is a review of laws now in effect, since legislative inflation has become so great.

Dr Wahid Ra'fat, chairman of the Wafd Party [sic, see above], told AL-SHARQ AL-AWSAT that in the forefront of the laws which will be included in his study will be the election laws, on the basis of the latest of which Law No 114 of 1983, the last Egyptian parliamentary election took place, the law on parties, the law for protection of the internal front, the law for protection of values from shame [the law of shame], the law for sequestration, and the law for state security courts, whose decisions and judgments are approved by the president of the republic directly, with no provision of appeal.

He added that the goal of this is limitation of the duplication and inflation which seem to be among the chief characteristics of Egyptian legislation, as well as protection of freedoms from infringement, save in a limited, fixed degree, and then only in emergency situations.

From another perspective, the chairman of the parliamentary list of the New Wafd Party, Counselor Mumtaz Nassar, denies that the government plans to or has in fact submitted a draft law pertaining to combating terrorism as a substitute for the emergency law.

He says that the emergency law is unconstitutional, and if the government requests its renewal, we would oppose it, because the alternatives available in current and general law have no need for the emergency law.

12780

CSO: 4504/22

PROVISIONS OF BUDGET FOLLOWING PEOPLE'S ASSEMBLY APPROVAL DETAILED

Cairo AL-JUMHURIYAH in Arabic 5 Oct 84 p 6

[Article: "The People's Assembly Approves the New Budget: Total Expenditures of 18.2 Billion Pounds"]

[Text] The People's Assembly approved the draft law assessing the general government budget for the fiscal year 1984-85 yesterday.

Total budget expenditures come to 18,277,233,100 pounds.

Current expenditures come to 11,354,513,400 pounds, of which 3,295,000,000 will be for wages and 59,513,400 pounds for current expenses and current transfers. The net budget deficit has dropped to 1.2 billion pounds.

The assembly also gave agreement to general budget authorizations supplementary to the budget for the new fiscal year. The law stipulates the following:

Article One:

Budget expenditures have been estimated at 15,179,356,100 pounds and revenues have been estimated at 12,613,509,100 pounds.

Article Two:

The general government budget is broken down as follows:

First, current expenditures, totalling 11,354,513,400 pounds, of which 3,295,000,000 will be for wages and 8,059,513,400 pounds for current expenses and current transfers.

Second, capital expenditures, which are estimated at 3,824,842,700 pounds, of which 1,767,123,000 pounds will be for investment expenditures and 2,057,719,700 for capital financing.

#### Article Three:

The revenues of the general budget have been broken down on the following basis:

##### Current revenues:

These are estimated at 11,538,354,500 pounds, including sovereign revenues of 7,646,661,000 pounds and current revenues and current transfers of 3,891,693,500 pounds.

##### Capital revenues:

These are estimated at 1,075,154,600 pounds, including total Chapter Three and diverse capital revenues of 405,503,600 pounds, of which the sum of 4,925,000 pounds will be to finance investment expenditures and 400,578,600 pounds to finance capital transfers.

The total for Chapter Four, loans and credit facilities, has been estimated at 669,651,000 pounds, of which the sum of 396,351,000 pounds will be to finance investment expenditures and the sum of 273,300,000 pounds to finance capital transfers.

#### Article Four:

The difference between total current expenditures and total current revenues in the general government budget for 1984-85 has been estimated at 183,041,100 pounds and the difference between total capital expenditures and capital revenues in the budget has been estimated at 2,749,688,100 pounds; of this, the sum of 1,365,847,000 pounds is the investment financing deficit, while the capital transfer deficit comes to 1,383,841,100 pounds.

Volume of the Budget is 18.2 Billion

#### Article Five:

Total budget expenditures are estimated at 18,277,233,100 pounds, and the sources of financing available to cope with these expenditures have been estimated at 17,077,233,100 pounds. The net deficit of 1.2 billion pounds will be financed from the banking system, and the minister of finance may issue orders and bonds against the general treasury within the limits of this deficit.

#### Article Six:

The bodies will commit themselves to avoid linking themselves to or making disbursements on projects listed in Chapter Three, investment expenditures, unless that is in accordance with the regulations which the National Investment Bank sets out.

#### Article Seven:

The minister of finance or whomever he delegates may issue checks against the public treasury within the limits of the loans that are due within the year, and their limits will be stipulated. He also may contract for the foreign loans necessary to finance the general treasury.

#### Treasury Bonds

#### Article Eight:

The minister of finance may issue bonds against the general treasury in accordance with conditions and circumstances agreed to by him and the Egyptian Central Bank in order to cope with the following:

Covering the economic authorities' deficit that had been passed forward in previous years, to the extent that it is established that the general budget must finance this.

Completing payment of the Arab Republic of Egypt's share of the integration fund capital.

Covering the indebtedness of public sector companies to the banking sector arising from the financing of investments up to 30 June 1983, within the limits of open withdrawals or the deficit in the financing of these investments, whichever is less. The amendments necessary to execute this will be made.

#### Article Nine:

The provisions of the general authorizations attached to this law will be considered an integral part of the law and they will be binding on the administrative system, the local government units, the general authorities and the financing funds covered by the general government budget.

#### The Report of the Plan Committee

The assembly approved the report of the Plan and Budget Committee concerning the estimated budget revenues of the government's administrative system. This stipulates the following:

With respect to the administrative system of the government, stipulated authorizations for current expenditures have increased from 7,713,80,000 pounds in 1983-84 to 8,674,300,000 pounds.

With respect to local government, estimates of current expenditures have risen from 1,586,200,000 pounds to 1,888,700,000 pounds.

The committee referred to the existence of a group of authorizations included in the new draft budget. These essentially entail a 15.4 percent increase in estimates of the current revenues of the administrative system for fiscal year 1984-85 over those estimated for the fiscal year 1983-84.

## Budget Authorizations

The assembly also gave agreement to the general authorizations in the law assessing the budget. These authorizations include the avoidance of permission for transfers from one chapter in the budget to another, although it is permissible, with the agreement of the minister of finance or whoever he delegates, for allocations to be transferred from one entity to another in accordance with reorganization decrees, or in case of need.

It is also permissible for the minister of finance, or whoever he delegates, to create sections and different types of sections in the framework of the formal breakdown of the budget, and the governors will have the same jurisdiction with respect to the governorate budget.

With respect to the organization of employment positions, it is permissible, in accordance with the recommendation by the competent authorities or the competent governor, after the opinion of the Central Organization and Administration Agency has been ascertained, to disburse the expenses of vacant higher employment position grades and those which become vacant or are surplus to the requirements of activity in the various administrative units to finance higher positions or positions at other levels stated in the employment position tables of the authorized unit.

It is also permissible to disburse the costs of the grades of vacant employment positions below the highest levels and those surplus to the requirements of work in the administrative units, except for the lowest grades of appointment positions, to finance positions listed in the authorized charts of positions, except for higher positions. It is also permissible to disburse the costs of the lowest grades of appointment positions to finance positions at the same level included in the charts on positions in administrative units in various specific groups.

The authorizations specify that it is necessary that all bodies, before presenting themselves before the competent bodies with drafts of decrees to fill higher positions, confirm that the positions to which the appointment is desired are listed under the same title and grade in the charts organizing authorized positions and that these positions be financed and vacant in the budget of the unit for the fiscal year in which the appointment is taking place.

## Transfer of Labor

With respect to the transfer of labor, it is permissible, by decree of the minister of finance or whoever he delegates, following the agreement of the Central Organization and Administration Agency, to transfer an employee from one unit to another if he does not meet the conditions of the position he occupies or any other vacant position in the unit in which he works, if he is surplus to work requirements in the unit where he works, provided that the financing of his position be abrogated in its budget or that the financing be transferred to the body to which he is transferred. The authorizations also include a freeze on the grades of persons conscripted into the government sector, local administration units, general authorities, public

sector authorities and companies and special financing funds, and the savings resulting from the failure to fill them will be allocated for the disbursement of subsidies and compensation to conscripts who have received higher or intermediate academic qualifications, to people working in the government or the public and private sectors and to people in the liberal professions, and also for the disbursement of compensation subsidies to persons called up into the armed forces who are working in the private sector and people in the liberal professions during the period in which they or their families are lost as a result of war operations. The bodies may occupy the grades of conscripts on a temporary basis during the period of conscription, that is, the compulsory national military service period, excluding the period of re-enlistment. The filling of grades of persons on loan who are loaned within the republic will be suspended except at the lowest appointment levels.

#### Completion of the Discussion

The People's Assembly held a long session yesterday morning under the chairmanship of Dr Rif'at Mahjub in which it completed the discussion of the draft budget before agreement was given to it. A large number of political parties and ministers participated in it.

Karimah al-'Arusi, Muhammad al-Maraghi, 'Ali al-Dib, Mustafa Husayn and Muhammad al-Mismari participated in this discussion, and it concluded with the report of the Plan Committee to Dr Talbah 'Uwaydah, chairman of the committee.

Dr Rif'at Mahjub, Tawfiq 'Abduh Isma'il, the minister of People's Assembly affairs, and Dr Salah Hamid, the minister of finance, participated in the discussion.

#### Comment by the Minister of Finance

In the minister of finance's comment on the members' discussions, following the agreement to terminate them:

He said that the discussion and preparation of the budget had taken the government agencies 6 months, that the draft of the new budget included the guidance of government spending, avoidance of waste in all its manifestations, increased self-reliance in revenues, and the development of financial sources and that the drop in the budget deficit to 1.2 billion pounds proved that the government's policy was on its way to limiting inflationary pressures.

The minister of finance stressed a group of points:

The government is not opposed to the appointment of university graduates.

It is anxious to solve the problems of the public sector.

Support for financing structures.

Increased incentives for employees.

Pricing of public sector products.

Development of the tax agency in order to concentrate employees' efforts, bolstering it with the necessary experts and fighting tax evasion.

The minister of finance asserted that there would be no infringement of the laws which had been issued to encourage investment.

Customs exemptions were now restricted only to foodstuffs and investment commodities.

Total exemptions came to 2,257,000,000 pounds, about 36 percent of total revenues, to produce requirements to satisfy the broad classes of the public.

11887

CSO: 4504/53

## CONSUMER PRICE RISE UNDERSTATED

Beirut AN-NAHAR ARAB REPORT & MEMO in English No 27, 29 Oct 84 p 9

## [Text]

The subsidies issue in Egypt's budget was given another airing last week with the publication of cost-of-living indices for the period up to June 1984. The official consumer-price index showed a 19.7 per cent increase in the 12 months to June 1984, the central agency for public mobilisation and statistics reported. The index, which is weighted to reflect basic necessities for Egypt's rapidly-growing urban population, rose from 422.1 in July 1983 to 505.2 last June. The official inflation rate for 1983 was 16 per cent.

Western economists in Cairo point out that the index is heavily weighted in favour of subsidised goods, whose prices are kept below world levels by consumer subsidies now costing some \$2.5bn a year. Wheat flour and energy costs are particularly heavily subsidised. Representative middle- and upper-income consumers would face an inflation rate ten to 15 percentage points higher, they said.

Fruit and vegetable prices rose by 41 per cent and 32 per cent respectively in the 12 months to June 1984, reflecting the government's gradual decontrol of prices for these goods.

Meanwhile, Egypt has signed a contract with Australia for the supply of ten million tonnes of wheat over the next five years, at the rate of two million tonnes annually. No price has been disclosed, but payment for next year's consignment is to be at concessionary rates over three years. The new agreement continues one in effect for the past three years, which also supplied two million tonnes of wheat a year.

Egypt expects to import six million tonnes of wheat during 1985. Some 40 per cent (2.4mn tonnes) of it will come from the United States under the PL-480 food-aid scheme, with Canada and Europe also large suppliers.

In a separate development, East Germany is to lend Egypt \$100mn to buy 2,600 transformers for rural electricity supply and 370,000 insulators for the national grid.

CSO: 4500/20

# MULTI-STEP PLAN PROPOSED TO SOLVE SUBSIDY PROBLEM

Cairo AL-AHRAM AL-IQTISADI in Arabic No 822, 15 Oct 84 pp 6-7

[Article by 'Isam Rif'at: "A Card For Those With Limited Income, As a Way Out of the Subsidy Dilemma"]

[Text] The subsidy problem has turned into two problems. First, it never completely reaches the limited income earners who really deserve it, a proven fact which we have all known for years, although debates, studies and decisions have never been able to pin down the problem and confront it. The second problem is that subsidies are becoming an increasing burden on the state budget. Subsidies and general price levels are increasing, and even when wages rise they are still unable to win the cold war with prices.

To talk about subsidies is nothing new, and speculation on it has settled on several obvious facts revolving around the need to continue subsidies as a general political line of action.

What we must do is bring about a revolution in classical thinking--a rebellion against it--in order to achieve the economic goal of the subsidy program: that it reach only those actually entitled to it.

Let us all first reach an agreement as to who earns limited incomes. Then, what indices and standards can we use to make that decision?

The first and foremost such group is that of pensioners and recipients of various forms and types of social insurance. This group also includes large segments of the population who get a fixed monthly income averaging less than 100 Egyptian pounds, as well as the next higher group, whose monthly income varies from 150 to 200 pounds.

However, the dividing line is not all that easy or simple, since other sectors, which do not fall within the scope of this survey, definitely fall into this category. However, they can be inferred from other indices and by scrutinizing the nature of various activities, especially agriculture.

In any case, "social standing" is the last important index, complementing the wage or income standard.

Also, since tax exemptions and brackets are determined on the bases of married, married head of family, and single, and even on the number of children and their educational level in the case of married heads of family, we can therefore factor in this social dimension when classifying the various income levels. We then reach some sort of classification guideline which is as close to reality as possible.

Once we arrive at this socio-economic framework for those who ought to get subsidies for themselves and their services, we can then visualize alternative solutions for the existing subsidy situation and correct its deficiencies.

One such solution consists of several steps.

The first step is to ensure the individual's basic needs, which can be done through an ordinary ration ticket, whereby each individual can be sure of getting a certain amount of basic supplies at nominal prices.

The second step is to issue a supplementary or group ticket, which likewise guarantees that each individual can get similar amounts of the same goods, but at subsidized prices.

By any standard, both quantities would no doubt be adequate for the individual's monthly consumption.

The third step is to gradually eliminate subsidies, which would lead to a great increase in prices. Since this is undesirable from various standpoints, a wise economic policy ought to take such effects into consideration, bringing these increases about gradually according to a specific timetable, so that in the end the subsidy spectre would be completely eliminated.

Surely, when the individual finds his basic needs guaranteed at subsidized prices, his additional luxury needs for these commodities will become less significant or important. To put it more clearly, the consumer who finds the sugar he needs to meet his daily requirements at reasonable, subsidized prices will accept the idea of paying higher prices to buy other kinds of sugar, for example the kind used in home-made cakes or sweets.

The fourth step is also connected with the preceeding ones, for it answers a definite question: where will the money which could be saved by guiding subsidies go? The answer is simple. Part of it could be recycled and allocated to persons with limited incomes, as is suggested in another proposal calling for a card to be given to every person entitled to subsidies, showing his name, supply ration card data, the number of members in his family, and which of the following groups he belongs to.

Group A, with monthly incomes of less than 25 pounds, would be given the following subsidies: 100 percent of income, or 25 pounds for a married head of family; 20 pounds a married person, and 10 pounds for a single person.

Group B, with incomes from 25 to 50 pounds a month, would be given subsidies as follows: 25 pounds a month for a married head of family; 20 pounds for a married person, and 8 pounds for a single person.

Group C, with incomes varying from 50 to 75 pounds a month, would receive their share of subsidies as follows: 20 pounds for a married head of family; 15 pounds for a married person; and an unmarried person would receive no subsidy.

Group D, with monthly incomes ranging from 75 to 100 pounds, would receive subsidies as follows: 15 pounds for a married head of family; 10 pounds for a married person; and nothing for a single person.

It should be mentioned that any change in a person's social situation would permit him to move from one group to another, and even to move out of the subsidy circle if his monthly income rises above 100 pounds.

Once the social groups are determined in light of income levels, each person entitled to monthly subsidies because of his circumstances would receive a special card showing his name, address, and subsidy standing. This card, which would be tantamount to indirectly-earned income, could be used in public sector shops anywhere, be they consumer societies or commercial companies, to buy goods at a 10 percent reduction in price, provided that the total discount is equivalent to the total amount of subsidy.

In order to place some controls on buying basic commodities and to prevent excessive purchases, specific monthly amounts not to be exceeded could be set for each card.

This very idea has had another application in our everyday life; i.e. the workers' welfare project, whereby limited income individuals receive a card allowing them to buy up to 24 pounds of goods from a specific shop, half of it in locally produced goods and the other half in foreign goods. Prior to this project, a similar system was applied for our university students.

It should be mentioned that the intention is for pensioners, the first welfare group, to receive subsidies equal to their pensions, as long as these are less than 50 pounds a month. Anyone receiving more will receive smaller subsidies amounting, for example, to 25 percent of their pensions.

This proposal is intended to achieve several important goals common to the individual and the state, the most important being ensuring that persons entitled to subsidies obtain goods at reduced prices. The card could be used more than once each month, and it would be possible to buy different kinds of goods, not necessarily basic foodstuffs which the state is bearing huge price differentials to subsidies. Furthermore, the card would be tantamount to an additional sum of money added to the subsidy recipient's income, and would be in effect a badge showing who is to receive the income entered on it. Anyone

whose socio-economic circumstances change would be removed from the program, which in the end would mean that subsidies would actually reach those entitled to them. It would also mean that there would be no increase in subsidy allocations and their resultant negative effects on the budget, and would, at the very least, place known limits on these allocations which could not be exceeded.

8559

CSO: 4504/69

## BRIEFS

ANTICIPATED SPLIT IN WAFD--The case about the ouster of Yasin Siraj-al-Din, Fu'ad Siraj-al-Din's brother, from the Wafd Party was exploited by the party on grounds that the ouster constituted the beginning of a split within the party despite Yasin Siraj-al-Din's announcement that he will remain loyal to the party till the end. Newspapers that oppose and support the National Democratic Party are affirming that Yasin Siraj-al-Din's ouster from the party came in the aftermath of pressures that were applied to Fu'ad Siraj-al-Din who could do nothing but give in to these pressures. Fu'ad Siraj-al-Din, however, is categorically denying that. What matters is that Yasin Siraj-al-Din had been selected to serve as a member of the Nile Valley Parliament. The party regarded his acceptance of that position without a party resolution a violation. Therefore, the party's parliamentary board decided to oust him from the board and the party. But Yasin Siraj-al-Din regarded the ouster illegal because Article Six of the party's charter requires that a party member be summoned and that his defense be heard. That did not happen. Also Article Eight of the same charter does not permit the ouster of any party member until the matter is brought up to the General Assembly. It is now obvious that the measure which was taken by the party was one that was agreed upon by the members of the parliamentary board. It is also obvious that the pressures that some newspapers talked about did not exist. [Text] [London AL-HAWADITH in Arabic No 1460, 26 Oct 84 p 8] 8592

NEW BOOK ON COPTS--"Al-Aqbat fi al-Hayah al-Siyasiyah al-Misriyah" [Copts in Egyptian Politics] is a book written by Dr Samirah Bahr and published by the Anglo-Egyptian Bookshop in Cairo. This book is considered one of the most important recent publications about the role of Copts in Egypt's political movement. The author dealt with her subjects in five chapters. In the first chapter, "Judhur Qadimah," [Old Roots] Dr Samirah Bahr analyzed the linguistic, religious and historical origins of the Copts, and she presented the positions of the national Coptic Church in opposition to Rome, Byzantium, the French campaign and proselytizing missionaries. In the second chapter Dr Bahr dealt with national unity in the face of challenges. She also dealt with the principles of colonialist policy which used sectarian strife to apply that policy, and she dealt with the Coptic Conference and the Islamic Conference of 1911. In the third chapter, "al-Wihdah al-Wataniyah: Nuqtah al-Intilaq min Ajl al-Istiqlal wa al-Dimuqratiyah'" [National Unity: the Starting Point for Independence and Democracy] Dr Bahr analyzed the situation after World War I. She analyzed the makeup of the Egyptian delegation and its attitude toward the Milner Committee. She also dealt with Yusuf Wahbah's 1919 cabinet and Makram 'Ibayd's call for Arab unity. The fourth chapter dealt with the Copts and the 1923 Constitution. It dealt with questions of protecting the Copts in (Kirzan's) plan of November 1921; it dealt with the declaration of 28 February, with the role of the Wafd

Party in opposing the representation of minorities, and with national unity after the 1923 Constitution. The fifth and final chapter, "Al-Aqbat ba'd 'Amm 1952" [The Copts after 1952] dealt with the intellectual principles of some extremist political claims and organizations. It dealt with the Coptic reaction to the formation of the Society of Muslim Brothers, with the status of Copts in political life and with the situation of al-Sadat's experiment. [Text] [London AL-TADAMUN in Arabic No 80, 20-26 Oct 84 p 69] 8592

PRIME MINISTER'S HEALTH--Reliable sources in the Egyptian government close to the prime minister assured AL-TADAMUN that Mr Kamal Hasan 'Ali's state of health is secure, with no cause for concern. Responding to an inquiry by AL-TADAMUN into recent rumors that Mr Kamal Hasan 'Ali suffers a poor health condition, the sources said that the Egyptian prime minister has suffered for some years from an ordinary case of rheumatism, and that from time to time he visits the Swiss professor (Eichman) in Bern. Professor (Eichman) came to Egypt in October 1981, and at the time of the reviewing stand incident held an appointment as visiting physician at al-Ma'adi Hospital. The sources indicated that Mr Kamal Hasan 'Ali recently experienced a sudden onset of hemorrhaging after he took an extra dose of the tablet (Nufalgin), but the hemorrhaging was brought under control in time. [Text] [London AL-TADAMUN in Arabic No 77, 29 Sept 84 p 6] 12780

FIGURES ON PRIVATE SECTOR--The number of companies established in Egypt during 1983 on the basis of the law encouraging the establishment of production enterprises needed by the Egyptian economy reached approximately 146 companies, with a total capitalization of 260 million Egyptian pounds, and a total investment cost of 520 million pounds. With these, the total number of companies founded on the basis of this law, which was issued in 1982, rose to 197 companies, with a capitalization of 298 million pounds and a total investment cost of 578 million pounds. Of these companies, 85 were joint stock companies, with capitalization of 174 million pounds. Also during 1983, agreement was reached for 198 investment projects in accordance with the law on investments, with capitalization of 747 million pounds and investment costs of 1.239 billion pounds, including 175 domestic projects with capitalization of 698 million pounds and costs of 1.134 billion pounds, and 14 projects in the free zones with capitalization of 49 million pounds and costs of 105 million pounds. [Text] [London AL-HAWADITH in Arabic No 1454, 14 Sep 84 p 50] 12780

FOREIGN EXCHANGE SHORTAGE--Egyptian commercial houses are having problems finding hard currency with buyers blaming the shortage on the government's taking legal measures against money changers for alleged currency violations. They also claim that the recent devaluation of the Egyptian pound was not successful and that the price of hard currency is going up. The courts are taking action against a number of money dealers, including Sami Ali Hassan, one of Cairo's largest with an annual turnover of up to \$2bn, who are accused of violating foreign-currency regulations. Others accused include executives from the Beirut-based Jammal Trust Bank. Other money dealers have withdrawn somewhat from the market, fearing that the government may be about to take action against them as well. Egyptian importers, short of foreign currency in both the official banking sector and the private money market, are having problems meeting payments on letters of credit. [Text] [Beirut AN-NAHAR ARAB REPORT & MEMO in English No 27, 29 Oct 84 p 9]

CSO: 4500/20

HEAD OF ECONOMIC FEDERATION DISCUSSES INVESTMENTS, ECONOMY

Casablanca LA VIE ECONOMIQUE in French 12 Oct 84 pp 6-10

[Interview with Drissi Quetouni, president of the Moroccan General Economic Federation (CGEM); date and place not given]

[Text] The president of the CGEM, Mohamed Drissi Quetouni, met with a reporter for JEUNE AFRIQUE to whom he granted an interview that has apparently not been published in its entirety. The CGEM has sent us the complete text of the interview which we are re-printing with pleasure and interest.

Role of CGEM

[Question] Could you give us a description of the CGEM and its role in the national economy?

[Answer] Before answering your question, it would be useful to tell your readers about the structure of our organization.

The Moroccan General Economic Federation is a management organization not set up for profit within the framework of legislation regulating the right of association in Morocco going back to 1958. It therefore acts as such.

It was set up as early as 1948. It now includes some 40 professional associations representing the different industrial, commercial activities and services, along with a large number of enterprises belonging on an individual basis. This gives the CGEM a representative dimension that affects all sectors of activity and that extends to a very large number of enterprises.

The CGEM includes four federations handling their respective sectors of activity. They are: the Federation of Industry; the Federation of Commerce and Services; the Mining Federation; and the Public Works and Building Federation.

The CGEM also has two standing committees. They are: the Economic, Financial and Fiscal Committee and the Social Committee.

We also propose to develop the number of federations and the institution of a Small and Medium-Size Businesses Committee.

The work of the Confederation can also be done within the framework of ad hoc committees that are formed whenever there is a need to study particular problems.

The Confederation is headed by a board including: the president of the Confederation; the presidents of the federations, who have the rank of vice president; reporters of the standing committees; the treasurer and his assistant.

The decision-making organs of the CGEM are: the Annual General Assembly which evaluates the accomplishments of our organization, sets its objectives, its budget, its general orientations and once every 2 years elects the president of the CGEM; and the monthly assembly, which closely follows the situation in the different sectors of activity and studies the economic and social environment in which such activities take place. The monthly assembly is often led to define short-term objectives for the Confederation's activities.

The CGEM is financed by dues paid annually by members, which provides it with complete autonomy in its actions.

As for its role, it is defined by its bylaws. Inspired by the general interest and interest of Morocco in its leadership organs, the CGEM constitutes the link between the private sector and the government and other social partners. In order to accomplish this, the CGEM proceeds to make all studies and investigations within its organs and informs the government of the desires of its members, along with their proposals with respect to the best means of achieving our economic and social development.

In short, I would say that the CGEM intends to be a framework for the rallying of the Moroccan private sector and its development within the liberal society we have here in Morocco. Our objectives, which is not at all union-related, since we are an association acting within the framework of the law of 1958 and not that of 1957, is to seek out means of overcoming one of the greatest obstacles to economic and social development, to wit, the absence of vitality in business. We are seeking to detect the reasons in order to overcome them.

In the CGEM, we have always been guided by the objective of unity of the private sector in order to make it a full protagonist and therefore an agent of development. As such, the CGEM is aware of the importance of its task, that of making the private sector a strong, imaginative sector that creates wealth.

If I now turn to the place occupied by the CGEM in the concert of other economic agents, then that is what gives it its serious nature, its realism, its philosophy of dialogue and coordinated action. This role has enabled it to contribute to all reflection that has begun on the subject of economic, fiscal, financial and social matters both within the enterprises and sectors and on a national scale. It has also made it possible to expand the organization's following because one can now say that through the associations, federations and enterprises belonging to it, the CGEM can harbor the ambition of representing some 4,000 enterprises.

Our constant concern is to make private enterprise be able to continue to play the rational economic and social roles that belong to it. Moroccan business has acquired sufficient experience that must be enriched and developed on a broader scale.

## CGEM and AMIT

[Question] How did you come to be president of the CGEM?

[Answer] I began by being president of the AMIT. I went through several phases before feeling that that was going to happen four years ago. First of all, as reporter of the Social Committee, I was tested on problems such as professional training and social security. Then, in 1976, I was made president of the Federation of Industry within which I was able to accomplish part of my mission in the CGEM.

[Question] Are you going to leave the AMIT?

[Answer] Yes, one cannot do two things at once, especially since AMIT is one of the 40 associations that constitute the base of the CGEM. The same is true of the Moroccan Exporters Association (ASMEX), of which I was one of the founders. I shall turn over my post this fall at the latest.

[Question] Do you know who your successors will be?

[Answer] Not yet, but persons have been named. We want to protect our consensus in order to prevent the formation of cliques within the professional organizations.

## Work of Drissi Qeytouni at Head of AMIT

[Question] What were your main successes at the head of the textile industry?

[Answer] I was among the promoters of a special exhibition for textiles and leather, SATEC [expansion unknown], which has now become an annual event. In addition, I fought to set up a strong export movement. This year, we had a turnover of 2 billion dirhams in exports. Not only did we maintain our exports on the markets of the EEC, but we opened up new markets: in Guinea, Canada, Libya, Jordan, the Sudan and Iraq, where we shall conduct operations worth \$20 million. I would add that I have always sought to maintain coordination and dialogue with the administration. The textile industry is now involved in negotiations with the EEC, which is a major accomplishment for us. Finally, I have made our manufacturers aware of the need for a presence in the world. There are no more specialized exhibitions in the Middle East, Africa, America or Europe where Morocco is not represented.

[Question] What tasks will you leave for your successor at AMIT?

[Answer] There is one latent problem: that of the cost of energy, which continues to go up and for which we have requested an allowance for exporters on particular. In certain branches of textiles, energy represents over 20 percent of the cost price! All we were able to obtain was a reduction for export enterprises, whose energy spending does not exceed 5 percent of the cost price and which make at least 25 percent of their turnover from exports. Unfortunately, the decision is scarcely applied because it is difficult to meet these two conditions, especially the former.

But one of the main tasks that must be tackled by my successor is professional training. He will have to contribute to the success of the very ambitious program

launched by His Majesty, particularly the integration of apprentices. Let us suppose that each enterprise has to accept an average of three. This would make 2,400 young people to be integrated into the textile sector alone!

[Question] Will there be change or continuity in the CGEM?

[Answer] One cannot speak of a change in thinking or philosophy because I have contributed to their definition for practically 6 years as vice president of the Federation of Industry. But each one has his own style of work, his way of acting. Having said that much, a new vision of things consisting of trying to adapt the CGEM to the current economic context and its dimensions, emphasizing its openness to different partners, whether the government or others, is obviously not excluded.

#### Confidence in Liberal System

[Question] What are your plans?

[Answer] As you know, I have been entrusted with the heavy responsibility of presiding over the CGEM for only a month and a half. Consequently, it is too soon to speak of strategy or of a plan of action. A number of ideas are being studied and our different organs will have to debate them to come up with a plan of action.

All that I can tell you now is that in the CGEM, we are backed by our unshakable confidence in the liberal economic system and are convinced that a strong and vigorous private sector is a guarantee of success of our economic and social takeoff. We have always considered that we must have a strong, united, apolitical and independent organization.

That is why we must strengthen the unity of the private sector. Fortunately, there has never been -- and will never be, I hope -- any dissension within the private sector. The way of working of our organization is a channeling of all good will and the acceptance of all ideas provided that they are in the general interest.

I shall therefore say that the objective of the unity of the private sector is for us a constant source of motivation. It is for that reason that as early as 1983, we undertook to open up regional delegations as provided by our statutes. Our first regional representation opened in April 1983 in Fes, the second-ranking industrial city in the kingdom, will be followed by others, for we are convinced that the future is for action on a regional level and for the mobilization of all energies at the local level as the indispensable basis for unhindered growth.

In sum, this tells you how important it is for me to work to protect the accomplishments which the CGEM has worked to bring about so far.

Obviously, dialogue and the concerted action that have always guided the action of the CGEM will be strengthened and in this connection, I intend to invite some ministers to a debate with men in the field on questions involving economic growth and social development, especially since they will have to debate them in Parliament.

But our action will not be limited to maintaining our accomplishments, since any organization that does not continue to move forward obviously moves backward! Consequently, we shall seek to give new impetus to certain means that will be refined and strengthened, both functionally and structurally, in order to develop our audience and provide better services to our enterprises while fully playing our role as a catalyst of private actions.

#### Greater Means

[Question] Is it necessary to increase your means in order to do that?

[Answer] Yes, I would like to give the CGEM a sufficiently strong staff. We have already taken steps to hire additional permanent personnel. We are going to try to develop our ranks, even propose to our members an increase in dues. I would also like to mobilize local energies, which is why we plan to open up new regional delegations in the country after that in Fes.

Then, in order to develop means of communication, I would like to have a continuing coordination of presidents of associations. They should meet more often in presidents' conferences that would look at the sectors truly in need of assistance from the CGEM.

One of the roles of the CGEM I would like to emphasize is specific aid to sectors in difficulty. We must hear them because discussion often leads to ideas. We may come upon ideas that would enable the public sector to reduce the impact of the current situation on those sectors. You now have building and related areas that are particularly suffering at this time, when the government is still signing turnkey contracts with foreign companies! That is an aberration! The least they could do is to ask our public works enterprises what they can do to contribute to a given operation and make them participate.

#### Small and Medium-Size Businesses

[Question] Some criticize the CGEM for being the organ of the big manufacturers and for forgetting the small and medium-size businesses.

[Answer] That is not true. Our doors are open to all the small and medium-size businesses that want to come. It is true that there are few that do so through membership in their professional association or their ANPME [National Association of Small and Medium-Size Businesses], which is a member of the CGEM. But we plan to institute a third standing committee that will devote itself to the problems of the small and medium-size businesses. Believe what my experience tells me: In textiles, one has 800 members and it is the little companies that have the most problems.

[Question] Do you expect to resort to advertising to develop membership or to improve your image?

[Answer] No, that is not our way. Furthermore, you have but to open the newspapers to see that not a day goes by without an article quoting or reprinting situational reports published in our bulletin CEDIES-INFORMATIONS.

What do you expect if people do not read? One thing is certain: Memberships come about when there is service at hand and there is!

## No Generational Conflict

[Question] Is there a conflict in the Confederation between the "young wolves" and the traditional owners and employers?

[Answer] I do not know where you get that idea! There has never been and will never be any gap of that kind in the CGEM, for the simple reason that the average age of Moroccan owners and employers has dropped tremendously.

It is now the young people who create, who participate at all levels of our organizations and who practically make up the Confederation. Naturally, the "old hands," the owners and employers of great experience, continue and will continue to play their role, especially since it is these "elder" owners, as you call them, who are responsible for all our accomplishments, if only because of their unshakable faith in liberalism, their hard work, their wisdom when necessary, and above all, their example, which has served and which will always serve that constellation of young, active, creative promoters.

Wherever you see a problem in the CGEM, we see a solution: provided that the young people invest, exercise their taste for risk and their technical and managerial talents. For the good of the country, there can be no generational conflict.

## Government Debts

[Question] What can you do with an administration that is late in paying its debts, to the point of placing certain enterprises in a difficult situation?

[Answer] You can do nothing but constantly remind it that the bills have to be paid. In the different sectors, we sound the alarm and contact the ministers concerned in public works, milling, and so on. But be careful! The administration is not our enemy; it is our partner. We have come to dialogue and coordination with it through our efficiency and objectivity.

[Question] Do you help set up enterprises?

[Answer] The CGEM is a professional association that brings together the creators of enterprises and as such, one can say that it is a direct or indirect center for the creation of enterprises. Information, reports, studies, participation in foreign missions, the reception of foreign investors, and so on, are all functions that the CGEM will develop more and more in the direction of setting up enterprises.

In the CGEM, we are convinced that underdevelopment is not an impossible yoke, nor do we underestimate the dimension of the problems, but we are convinced that investment, incentives to private enterprise constitute the key to many problems of underdevelopment. We shall play our role fully.

[Question] What do you think of the export capabilities of Moroccan industry?

[Answer] Moroccan industry, led by sectors such as textiles and canning, has resolutely gone after exports since the beginning of the 1970's.

We have had excellent performance because in a decade, our exports of manufactured products have increased tenfold. Unfortunately, the difficulties that have emerged in international trade due to the crisis have not helped things and we have sometimes have an underutilized capability.

The fact nevertheless remains that we are trying to reach new markets and to diversify our export products. To do so, we have requested an adaptation of the export code to the current requirements of the world market. We must be on an equal footing with exporters in rival countries that enjoy very important incentives and unlimited means of financing.

Our objective is to manage to free ourselves from the EEC, which is becoming increasingly protectionist and which will gradually lead to self-sufficiency in many domains. However, we want to defend our gains on the EEC market even if we increasingly move toward other markets.

#### Fiscal Reform

[Question] Moroccan enterprises complain of tax pressure which, according to them, is intolerable. It is a fact that 90 percent of the taxes affect 10 percent of them, given the existence of an unorganized sector. What is your position on the eve of the study of the proposed tax reform by Parliament?

[Answer] Concerning the question of fiscal regulations, I would not like to say much for the time being do to the fact that a framework-law involving fiscal reform passed by Parliament has been promulgated and the reform texts are now under study. We are therefore on the eve of a fiscal reform about which I cannot speak at the present time.

Nevertheless, it is useful to review over 25 years of application of the current tax system and bring out the principles that we think should guide the reform to be instituted.

First of all, I believe that tax pressure must be studied so as to leave up to the organized sectors of the national economy the maximum possibility of reinvestment, which is indispensable for the country's economic and social development.

We believe in fact that taxation has an important role to play with respect to encouraging investment and this does not derive from a narrow microeconomic view. Rather, its macroeconomic justification is obvious and does not require great development.

The second observation to make is that taxpayers must be placed on an equal footing with regard to taxation, for at a time when average fiscal pressure remains tolerable, it is excessively heavy for industrial, commercial and organized service enterprises. A balance is all the more necessary because it manifestly constitutes a means to counter the lack of profits from which the government budget is suffering. A drop in fiscal pressure is all the more necessary because the firms are forced to suffer the consequences of the drop in demand caused by growing taxation which does not spare demand either. An in-between path must therefore be found between budgetary resources, demand, the cash flow of enterprises and the national savings in general.

We are convinced in the CGEM, as our economic trend demonstrates, that the development of government fiscal resources can only be assured through the normal growth of the economy and an improvement in the profitability of enterprises. Furthermore, there is no better way to "kill taxes than too many taxes."

The fiscal reform that will result from studies underway will certainly take this cardinal aspect of taxation into consideration.

Beyond a doubt, it will simplify our tax system and clarify provisions that may be subject to different interpretations. All fiscal systems in the world are definitely complex, but we have the advantage in Morocco, a liberal country, of making our comments and constructive proposals in all domains in order to optimize choices and derive the greatest benefit from our resources and potential, serving the general interest. Moroccan owners and employers have always made concerted action and specific proposals their constant line of conduct.

Within such a framework, we also believe that our past fiscal experience requires that we make taxation a real means of encouraging the organization of management and a factor of development.

#### Investments

[Question] What are the possibilities of financing investments in Morocco?

[Answer] As you know, investment constitutes the cornerstone of growth. Morocco's economic and social situation requires that both the government and private operators maintain their investment effort and find adequate means of financing them. It goes without saying that population growth does not wait and that the increasing needs of our fellow citizens are multiplying exponentially.

In other words, the current state of our economic and social fabric means that a balance must be found between consumption and investment and that efforts must be aimed at the mobilization of adequate national savings. It is abnormal in a country such as ours, where the rate of investment is on the order of 23 per cent (investment/GIP), for the rate of liquid savings not to achieve even 10 per cent (savings-GNP).

Regarding investment, as you know, the government has made a major effort and fine projects have been completed in the preceding decades. The government has also made a gigantic effort with regard to the construction of economic and social infrastructures and you will agree that our infrastructures are among the best in Africa.

Our efforts have also been aimed at regulations and Morocco now has very liberal legislation aimed at providing incentives for nationals and foreigners. Regarding organization, advice and the orientation of investors, there is also a definite effort.

But while the public sector is now forced, for objective reasons we understand very well, to observe a pause in investing, the CGEM is also aware that it is up to the private sector to take over and on a grand scale.

A large part of our action in the Confederation is in that direction. Our effort to make investors aware, to advise them and provide them with information is constant, both with regard to nationals and foreigners.

Obviously, there are obstacles -- what country does not have them? -- to the development of investments. I am thinking of a number of procedural difficulties that sometimes delay the rapid completion of projects.

In addition, one of the major orientations of the new investment code of January 1983 is the encouragement of regionalized investments. It is a necessary orientation aimed at restoring the balance between the different regions and working in the direction of the harmonious development of the kingdom. But we are obviously tempted to say that the advantages of the codes alone are not enough to establish this regional balance we seek.

Action on the regional level should be more all-embracing, particularly on the local level, through the identification of projects specific to the different regions of the kingdom and through the mobilization of local funds. Inhabitants themselves and their elected officials can help create this thrust capable of creating "regional cores" taking maximum advantage of the local regional potential. We must move toward the creation of a bank of projects by regions and the opening of regional branches of the organizations involved in investment.

This way of looking at regional investments will go hand in hand with the new orientation that will be given to professional training because the skilled labor that will be trained must find jobs in the local regions in order to participate in development.

But it goes without saying that the investment dynamic is mainly linked to the existence of financing possibilities.

As in all developing countries, our rate of national savings still remains low and action should then be directed in this way in order to help enterprises find the cash flow needed to achieve self-financing.

Morocco does have a developed and diversified banking sector but the techniques and procedures of financing deserve to be more flexible so as to be adapted to the demands of our growth. That is especially the case of financing exports.

Another type of action seems necessary: development of the national financial market by providing means able to mobilize all potential savings. The Casablanca Stock Exchange has in recent years been given incentives. They should perhaps be strengthened through total exemption of stocks and shares from all taxation. In addition, enterprises should be allowed to issue convertible debenture loans.

In addition, is it not time for a business bank to be set up in order to complete the action of the existing organizations?

In the CGEM, we mainly believe that an additional step in reviving the entrepreneurial spirit is necessary for the creation of a Moroccanization fund set

up in 1973 in connection with the people's credit system in order to help carry out many projects that promoters without the necessary financial means might have.

I believe that this idea deserves reflection. It has often been debated in our assemblies and we believe it is perfectly feasible provided that we find adequate financing.

[Question] Do you know Black Africa?

[Answer] Yes. I have traveled in Nigeria, Niger under Diori, Guinea, Ghana, the Ivory Coast and Senegal in connection with textiles or to represent my country at French-speaking conferences.

[Question] In your opinion, what is Morocco's position on the rest of Africa?

[Answer] Morocco, which has a window overlooking Europe, benefits from that proximity to try to relate to the Western world, but never forgets its African roots. In Morocco, we have political stability. The institutions are respected thanks to the authenticity of the country and respect for its traditions. That is precisely what prevents it from knowing catastrophies.

[Question] What type of boss are you?

[Answer] A very realistic one. I sort things out. I demand profitability, but but on the other hand, I do not hesitate to give benefits to the workers. In the enterprise I head, we have everything: complementary retirement, health insurance, the pilgrimage to Mecca, without counting all kinds of bonuses. Our enterprise is very advanced socially speaking, I believe. We also have a mosque, a clinic with X-ray equipment and a cooperative that enables employees to buy things less expensively.

Naturally, this is not within reach of all enterprises. Benefits depend on the soundness of the productive unit and its possibilities.

[Question] What can the position of employers be in an election period?

[Answer] Our position in the CGEM is clear. We are an apolitical organization and shall remain so.

Economics is obviously the very quintessence of politics, but our policy is to try to create the maximum number of jobs, to create wealth for our nation and try to raise the standard of living of our fellow citizens. We do so every day, quietly.

[Question] Is there still a colonial heritage in the CGEM?

[Answer] In the CGEM, as in Morocco, a country of freedom and tolerance, we live in perfect harmony with all foreigners, no matter where they are from.

Obviously, one must note that the CGEM is a Moroccan association headed by Moroccans and has been for some time.

Nevertheless, we have among our members many foreigners and we work together without the slightest problem. Morocco is sovereign. It has come a long way since 1956 in all fields and especially with respect to the human individual. But Morocco, by virtue of its very geographic position, can never be closed. Even if it wanted to be, could it?

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## BRIEFS

CHEVRON RESUMES OPERATIONS--A reliable Sudanese source has informed AL-TADAMUN that the Chevron company, which has been given the job of exploring for oil in the Sudan, will resume operations this coming October. The source said that the company, which had suspended operations because of some sabotage incidents, faces the likelihood of revocation of its concession if it does not resume operations by the date specified. The source explained that in the beginning of its operation, the company rejected a proposal of the Sudanese government that the district in which it is working be placed under the control of military security. When sabotage occurred, the company suspended operations and its representatives suggested that the company provide its own security. The Sudanese authorities rejected this suggestion completely, and asserted that provision of security on any Sudanese land is solely a Sudanese responsibility. The source also added that President Ja'far Numayri issued directives that the company proceed with its operation within the time specified, or its concession would be withdrawn. [Text] [London AL-TADAMUN in Arabic No 77, 29 Sep 84 p 5] 12780

CSO: 4504/22

SAMIR ABDELLAH INTRODUCES THREE OPPOSITION LEADERS

Characteristics of New Opposition

Tunis HAQA'IQ in Arabic No 49, 12 Oct 84 p 4

[Article by Samir Abdellah: "New Opposition Leaders: Decor or Reality?"]

[Text] When we utter the phrase "Tunisian opposition" names such as Ahmed Mestiri, Ahmed Ben Salah and Mohamed Harmel leap to our minds. These are certainly the better-known symbols to Tunisian public opinion. But the opposition does not end with these names. The list seems long and the mosaic complex. We present to you in this edition three names: Bechir Essid, the leader of the Arab Nationalist Grouping Movement; Nejib Chebbi, the creator of the Socialist Grouping, the latest newcomer to the political opposition; and Hama Hammami, the "obstinate Leninist-Marxist."

We have called these men the new opposition leaders for a simple reason. The broad masses do not know much about them and the organizations in whose names they speak are still embryonic organizations. This is why we ask the question: are they pieces in the general political decor or are they reflections of sensitivities existing in the Tunisian reality? The answer does not have to wait. The Arab nationalism, the democratic socialism and the Leninism-Marxism adopted by these organizations are concepts that occur in the minds of some of our intellectuals. But these concepts have not yet assumed the form of influential intellectual currents in the real situation.

At present, these concepts live on the periphery of this reality. This marginal or marginalized opposition has two characteristics:

First, it is not acknowledged by either the government or by some circles of the official opposition. A leader of the official opposition once said that these groups "fall within the framework of the strategy to float the opposition and to marginalize its true representatives."

The second characteristic common to Essid, Chebbi and Hammami is that all three have known the courts. For the last two, jail has molded an important phase of their lives and, consequently, of their political tendencies. If Chebbi has developed in a direction in which he has subjected Marxism to

the dictates of the reality, Hama Hammami has preserved his orthodox Leninism-Marxism and he is not reluctant to accuse the other opposition factions of being bourgeois, revisionist and distortionist. Other charges made against these leaders are no less "ferocious." To some, they are "radicals" and to others, they are "agents" of foreign circles.

Does this mean that the hour of coexistence and tolerance has not come yet for all components of the Tunisian opposition? It seems that this objective is difficult to achieve at present or in the near future. But all are aware that there is no alternative to dialogue because the other path is a "dead-end." This is why we have interviewed these "new" opposition leaders.

#### Interview with Bechir Essid

Tunis HAQA'IQ in Arabic No 49, 12 Oct 84 pp 5-6

[Text] His looks are piercing and his hair is unkempt. His facial features speak of exhaustion and his robe can hardly conceal his lean body. He is Bechir Essid, the general secretary of the Arab Nationalist Grouping Movement. We held the following interview with him at his spacious and furnished office on Jamal 'Abd-al-Nasir Street:

[Question] There are those who say that Bechir Essid and his group can be counted on the fingers of a single hand.

[Answer] The reality will prove the opposite of what they allege. Several sides have found nothing to fault our movement for and so they started fabricating lies that seek to distort us and to expose our internal conditions. As you know, the internal conditions of any movement must remain internal.

[Question] Some people describe the Arab Nationalist Grouping as a movement of communiques. What is your opinion?

[Answer] Time will show you that this rumor is false and that we work more than we talk.

[Question] What are your activities, for example?

[Answer] We move through the popular masses. This is the method for which nobody can or will be able to attack us.

[Question] What do you tell the popular masses, for example?

[Answer] We present ourselves as an alternative through persuasion and conviction, i.e., as a pan-Arab alternative founded on the nationalist theory.

[Question] Don't you think that Arab nationalism is a dream that has no connection with the reality?

[Answer] Arab nationalism is the greatest and firmest fact and whoever says it is a mirage is himself a mirage. He is the one straying from his society, from his genuine roots, from his nation and from his identity. This false statement is reiterated by forces hostile to this nationalism, by rival forces or by forces that are ignorant because they want to attribute failure to us.

[Question] Some accuse Arab nationalism of being a chauvinist, racist theory. What is your response to this?

[Answer] Contrary to this claim, Arab nationalism does not mean political or geographic belonging in the sense of racism. Arab nationalism is an economic, social and political theory and is an ideology with its principles, method and starting point.

[Question] But where do you stand vis-a-vis the masses' problems about which you speak? These masses have problems relating to bread, freedom, work and housing.

[Answer] I have said that Arab nationalism is an economic, political and social theory. This means that it is not an imaginary theory remote from reality. Whoever says that Arab nationalism is a theory from above that is not concerned with the masses' affairs is a naive thinker.

[Question] Many accuse you of being Colonel al-Qadhdhafi's trumpet in Tunisia and that he supplies you with money.

[Answer] We do not wish to insult anybody. But why, for example, isn't a Communist told that he is the agent of Moscow or China and why isn't a capitalist connected with the United States and, having firm relations with it that reach the point of protection, told that he is an agent and that he receives financing from that country?

This is, of course, inverse logic. This deceptive charge seeks to harm whatever is nationalist. Here they are saying that we are agents of the Jamahiriyyah. If the nationalist's contact with his brother is considered lackeyhood, then write down that we are agents. There is a fundamental bond among nationalists in the Arab homeland, namely Arab nationalism. As for the organizational aspect, every group is entitled to it. There is a difference between the ideological belonging which is a common base among all the nationalists and the organizational belonging which pertains to each separate country.

We assure you that our hands are clean and that we are people with principles. I have sold whatever I won for this freedom and I live on debts. We are ready to debate with anybody whoever he may be and we challenge anybody inside or outside Tunisia to prove that al-Qadhdhafi has given us a single cent or a symbolic gift. If necessary and if they do not stop accusing us, we will demand the formation of a neutral factfinding committee to examine these accusations. In this regard, we are prepared to fight on the pages of the press. If these accusations are true, then why

are they trying us for internal events (the 3 January events)? If these accusations are true, then let them bring us to court.

[Question] Al-Qadhafi once talked to you privately for 7 hours and he has intervened personally so that you could regain your passport.

[Answer] As I have already said, we have intellectual and ideological ties, but not organizational ties. The intervention you have spoken of did occur and does usually occur on the part of heads of state who intervene in issues pertaining to liberty.

[Question] Executions, for example, are taking place in Libya. What is your position on them?

[Answer] This is an internal issue on which Libya's rulers will give you the answer because they can better explain the country's internal conditions.

[Question] Some believe that the trial to which you have been subjected recently has served you, i.e., that it has been tantamount to a big propaganda campaign for you. What is your opinion?

[Answer] What is important to remember is that the trial was imposed on us and that it sought to obstruct the activities of the Arab Nationalist Grouping Movement. What is also important is that the court has issued its decision (a 2-year jail term) without any justification. The case is still pending.

#### Interview with Nejib Chebbi

Tunis HAQA'IQ in Arabic No 49, 12 Oct 84 pp 6-7

[Text] The Socialist Grouping, founded on 13 December 1983, is the latest newcomer to the Tunisian opposition. Most of the grouping's founders are young men who knew jails in the 1960's and in the mid-1970's. We met Nejib Chebbi, this movement's general secretary, and asked him:

[Question] The Socialist Grouping considers itself a leftist organization. Does not this contribute to a further dispersing of the leftist forces?

[Answer] The Tunisian left is in fact dispersed because it has failed to achieve the objective for which it was founded, namely, to establish a leftist movement relying on the working class. This failure has created intellectual and political confusion in leftist ranks. Add to this the fact that the left does not have common projections to overcome its problems. The emergence of our movement seems at first glance as if it were another movement added to the other already existing leftist movements. This is not true because the Socialist Grouping came into existence through a course of criticism of the leftist movement. This movement has relied in its actions on willfulness [al-iradiyah], failing to take into consideration the Tunisian society's circumstances. Moreover, in its previous experience,

the Tunisian left had followed a reverse course because it tried to fit its thinking to the developments of the situation just as now it is acting on the basis of reality. From this angle, the Socialist Grouping is a product of the special characteristics of the Tunisian reality. The Socialist Grouping is a product of the special characteristics of the Tunisian reality. The Socialist Grouping is proposing a broad grouping of Tunisian leftist forces -- a grouping combined by common denominators concerning the social and political reforms needed by Tunisian society in the current phase.

[Question] All the movements in Tunisia, including yours, say that they are socialist. What is new in your socialism?

[Answer] First, we have a point of disagreement with all the movements that do not question capitalist ownership of the means of production. This means that our movement is founded on a fundamental criticism of capitalist ownership of the means of production and works for the management of these means by the producers themselves.

[Question] Then you advocate conventional Marxist socialism which has failed in the countries that have applied it?

[Answer] No, we disagree with this projection because we believe that a socialism not tied to political democracy leads to dictatorship and to the seizure of power by a minority that acts in the name of society and that ultimately turns into a lucky class. The principle we cling to is the principle that when individual liberties disappear, the people's sovereignty disappears. This view of ours is founded on a critical examination of the international socialist legacy.

[Question] Insofar as Tunisia is concerned, how do you visualize the application of the socialism you advocate?

[Answer] We believe that socialism is a long-range objective that is not projected to be accomplished at present. The conditions are not yet ripe for Tunisia to turn into a model for collectivizing the means of production. The task of socialist development is not entrusted to one sector and not another. The three sectors, namely the public sector, the cooperative sector and the private sector, must act in unity.

[Question] The Destour Party advocates the same idea. Do I understand from this that you are a mixture of democratic socialism and Destourian socialism?

[Answer] The concept of the coexistence of the three sectors is often attributed to the Destour Party. But we forget that it is taken from the Chinese experience, specifically from what Mao Tse-tung called the new democracy. When we revived this idea, we took it from the international socialist legacy, including the Chinese experience. As for Marxism, most of the Grouping's founders were Marxists. But we reject a religious reading of the Marxist heritage. We have said that there is no way to read

socialism outside the democratic framework. The failure to understand this is what has led socialist thought to a crisis whose manifestations we see in Poland, Czechoslovakia and the Soviet Union.

[Question] In your position within the left, you are being pulled by two sides: the Communist Party and the extreme left groups. What do you conceive to be your movement's future?

[Answer] The fact is that the Communist Party, like the extreme left movements, is an expression of socialist visions among the intellectual circles. The Grouping aspires to surpass this confinement of the Tunisian leftist movement to the circle of intellectuals and to spread socialist thinking in the social arena where the forces with an interest in socialism are present. We do not believe, for example, that the Communist Party has tied itself to the labor movement. The Grouping wants to accomplish this qualitative leap from the circle of intellectuals to the greater social circle. Our future is not tied to the Communist Party or to the far left.

[Question] So far, we have heard nothing about activity on your part, except for some consultations with the other opposition parties. What is the reason for this inactivity?

[Answer] The reasons are objective because our movement was officially founded on 13 December 1983, meaning that our movement is only 10 months old. In 6 of these 10 months, the country lived under extraordinary circumstances. Add to this the fact that we want to operate within a legitimate framework. However, we have our activity at the organizational and political levels and we will continue our contacts for uniting the leftist forces. (We have established branches in Qafse, Sidi Bouzeid and Sousse). Our movement has supporters in Sfax, Gabes and Qibli.

[Question] You have expressed your resolution to take part in the coming municipal elections. Do you have the human and material resources to wage them?

[Answer] We have not made a final decision on the principle of our participation. We have only said that our participation in these elections is likely. There is the formula for unified lists by certain progressive leftist forces. Some groups have contacted us to form unified lists. This format may constitute a bridge to create a popular movement sympathetic to the left's theories. There is a broader formula which we do not exclude, namely the formula of the united front. In any case, this issue will be the subject of discussion in our next Central Council.

#### Interview with Hamma Hammami

Tunis HAQA'IQ in Arabic No 49, 12 Oct 84 pp 8-9

[Text] Hamma Hammami's words are distinguished. In this interview, Hammami opens fire on all the other existing movements. He was arrested and jailed

in 1974 for 6 years in the issue of AL-'AMIL AL-TUNISI, which has an iron grip on the Tunisian University.

[Question] In your capacity as a Leninist-Marxist, what is your opinion of the country's general situation?

[Answer] Tunisian society is in a crisis at present. It is a comprehensive economic, social, political, cultural and ethical crisis. I believe that it is futile to list the various aspects of this crisis because it has become well known, it is recognized by most parties and a lot has been written about it. What is more important than all this is to discuss its causes because these causes are the subject of disagreement. The government reiterates that the crisis emanates from natural and external factors for which it is not responsible. Most of the "liberal" and revisionist circles attribute the crisis to non-structural factors, such as mismanagement and poor administration. The Islamic fundamentalists interpret it religiously, attributing it to "straying from true Islamic values."

The fact is that all these interpretations obliterate the crux of the crisis and its deeper causes. In my view, this crisis is not a circumstantial crisis. It has been preceded by other crises and will perhaps be followed by severer and harsher crises. It is not predestined and it is not tied to mismanagement and poor administration or to ethics alone. It is a structural crisis with a clear and obvious class character. It is the crisis of the neo-imperialist or neocolonialist capitalist pattern in all its economic, social, political, cultural and ethical dimensions. It is a pattern on which the imperialist countries and monopolies (especially Western) and the dominant classes in our society, i.e., the big bourgeoisie with its various financial, industrial, service and agricultural segments, thrive at the expense of national development and of the toiling classes.

[Question] What, in your opinion, is the solution?

[Answer] In my opinion, one cannot imagine a real solution to the deep structural crisis being experienced by our society without a fundamental revolutionary change in this society. This change cannot be brought about without eliminating the roots of the malady, i.e., the neocolonialist capitalist pattern. This means, obviously, totally wiping out subservience to world imperialism and wiping out the local social base of this subservience, i.e., the big bourgeoisie about which I have spoken, so as to secure for Tunisia its independent national and social development that meets the people's aspirations at all levels.

As the crisis has its class character, the solution, i.e., the fundamental change, will also have its class character. What I mean by this is that the classes causing the crisis cannot be the ones producing the solution. Rather, the classes harmed by this crisis and interested in overcoming it and in achieving a final salvation are the only classes capable of achieving the desired revolutionary change. These classes consist of the workers, the farmers, the civilian petit bourgeoisie, the students and the

underprivileged and some segments of the middle bourgeoisie who are harmed by the intervention of the imperialist countries and monopolies and by the subservient policy of the big bourgeoisie. Among these classes and groups, the working class constitutes objectively the side most qualified to lead this process of change in society by virtue of its qualities as a class that is not tied to exploitation and to the private ownership of the means of production and also by virtue of its being most closely tied to the modern production sectors and being the class with the most members. This is what qualifies this class to organize. But it will not attain this leadership as long as it has not achieved its intellectual, political and organizational independence from the bourgeoisie and petit bourgeoisie and from the unionist bureaucracy by building its own political party on the basis of the scientific socialist concepts.

[Question] You talk a lot about the bond to the working class but you have remained far from it. What is the reason?

[Answer] Since its emergence, the Marxist Leninist left has undertaken the task of uniting with the working class but it has not achieved much success in this task. This is, in my opinion, due to two kinds of factors: first, objective factors embodied in the suppression to which this left was constantly subjected in the 1960's and 1970's; second, subjective factors which are the main factors and which pertain to numerous intellectual, political and organizational delinquencies into which the left has fallen. By reading what has been written in the press in recent years by Marxist Leninist strugglers, I can say that the awareness of these delinquencies has been growing.

But the mistakes and deviations that have prevented the Marxist left from achieving unity with the working class cannot erase the positive and important role this left played in the 1960's and 1970's in confronting the policy of the existing regime or the sacrifices it made at a time when many of those currently claiming to be democrats, socialists and "communists" were either parties to the government and contributing to the suppression of the people, totally independent of the struggle and waiting for better days or colluding with the ruling party's attacks on this left, as was the case of the Muslim fundamentalists.

[Question] They constantly accuse you of dogmatism, radicalism and subservience to Albania. What is your response?

[Answer] The ruling party and some of its symbols who have broken away from this party and formed their political movements, such Ahmed Mestiri, Ahmed Ben Salah and some other reformist forces, have constantly leveled this charge of dogmatism and radicalism against the Marxist Leninists. What is meant by dogmatism and radicalism is the opposition of the Marxist Leninists to the current social system that is founded on exploitation and persecution, the Marxists' struggle to change the system fundamentally for the benefit of the popular classes and their rejection of all the methods of repair and deception. If the reasons motivating the ruling party to make these charges are axiomatic, then this party is responsible directly

for this system. As for the liberals and the reformists with all their tendencies, they make these charges to conceal behind them their defense of the essence of the existing social regime and their clinging to this regime because what separates them from the ruling party is not the essence but subsidiary tactical differences, differences connected with defending various segments of the big bourgeoisie or differences over foreign connections. It is a sufficient source of pride for the Marxists that the reality is constantly proving the soundness of their analyses of Tunisian society's crises. Rather, this reality is constantly urging the need for the fundamental change.

As for the charge of subservience, which also issues from the same parties, it is truly astonishing because there is no force in this country as independent as the Marxist Leninists. Intellectually, they rely in their principles on dialectical materialism and historical materialism for analyzing natural and social phenomena. It is a scientific instrument where there is no superior and subordinate. Politically, let me remind you that the Marxist Leninists were the first to fight our country's subservience to imperialism and the first actually to struggle against it. This cost them suppression and imprisonment. Today, they are still firm, raising the banner of struggle for a Tunisia that is truly independent of the United States, the Soviet Union, France and China and, to put briefly, a Tunisia that is independent of all the imperialist and reactionary forces and a Tunisia that is for the Tunisian people and that relies first and foremost on its intrinsic forces to build its economic, political and cultural edifice. The Marxists' slogan in this regard is: Think with your head to solve your problems and do not rely on others to solve these problems. Thus, the Tunisian people can rise and contribute effectively to building the edifice of humanity and progress. But the Marxist Leninists do not conceal their sympathy for all of the world's proletarian and revolutionary forces struggling to wipe out exploitation and persecution, and this sympathy is not at all in conflict with the Marxists' preservation of their independence.

This is very legitimate because all the imperialist and reactionary forces in the world meet, consult and plan to strike the progressive peoples and forces. It thus behooves all the defenders of socialism, justice and freedom in the world to support each other.

As for those who level the charge of subservience at the Marxist Leninists, I say: Look at your policy (the ruling party) and your programs and positions (the liberal and reformist movements) and you will find out who is subservient and who is independent.

[Question] How do you view the following political movements: The Tunisian Communist Party?

[Answer] It is a revisionist party that has nothing to do with communism. In class terms, it represents the bureaucratic bourgeoisie that want to tie our country, if it attains power, to Soviet socialist imperialism.

[Question] The Islamic Tendency Movement?

[Answer] A political tendency that tries to hide behind religion to impose a reactionary and fascist social pattern that is not at all connected with the Tunisian people's interests, either the interests of the faithful or of the others. This movement flourished in the regime's embraces, the two then fought and here they are returning to each other!

[Question] The Movement of Socialist Democrats?

[Answer] An expression of bourgeoisie that does not differ with the ruling party in the fundamental class options. Their disagreement is confined to tactical issues.

[Question] The Popular Unity Movement?

[Answer] The 1975 program confirms that this movement represents the bureaucratic segment of the bourgeoisie--a segment which controlled the government in the 1960's and tied our country to the bandwagon of western imperialism. Though this movement opposes in its program the private intervention of western capital, it does accept on the other hand the intervention of the state's monopolist capital.

8494

CSO: 4504/75

## RESTRICTIONS PLACED ON JORDAN VALLEY ARAB AGRICULTURE

Jerusalem AL-BAYADIR AL-SIYASI in Arabic No 118, 15 Sep 84 p 18

[Article: "Agriculture in the Valley Threatened"]

[Text] Agriculture in the Valley has reached an advanced stage, and though we do not want to go into the reasons for that in detail here, the farmers' determination to hold onto the land and transform it into a green garden was one of the main factors which helped to make the agricultural situation good. In spite of difficult circumstances and the creation of various restrictions that work against the farmers and in marketing, the farmers rolled up their sleeves and carried on with all aspects of their agricultural labours. We are not exaggerating when we say that recent years have seen noticeable progress in this area, even though there were some seasons that failed and obstacles to marketing that we all know about, and even though Arab nations, using various excuses and under various pretexts, refuse to buy the agricultural produce of the Valley, in spite of the fact that one nation is capable of buying all the produce in support of the Palestinian farmer. However, such has not happened, and we hope that it will pursue a better policy towards this farmer, who has refused to leave the land; on the contrary, he has persisted in exploiting, benefitting from, and improving on it, surrounded by every obstacle and hindrance, and with only one supporting modern agricultural implement on the land, and nothing else. In addition, the Valley region where we are busy treating one of the problems facing its farmers, is studded with model farms which are a part of the settlement policy, and therefore the situation of the Valley farmers, and the land and agriculture of the Valley, are faced with a growing threat. We are faced with a problem that is not new, but has taken on dangerous and critical dimensions which have come to light again. The Palestinian farmer is at a loss, and we must all stand by him, so that the land will remain pure and free of blemishes, green and offering produce that will aid in supporting us all, and for the sake of the land.

In the Valley are 5,000 individuals who can be said to belong to the "agricultural sector", because every farmer in this region brings his wife and children, and together they begin a toilsome journey, but it is one of yearning after the land, a journey to reclaim it, cultivate it, protect it and preserve it. Most of the farmers in the Valley are from around Nablus, from Tubas especially; they come to the lands in the valley, erect wooden huts, and spend their days and nights on the land. During the day they plant and harvest, and during the

night there are other agricultural tasks such as irrigation operations. They are happy in spite of their toil, and we all know that the landowners are few, so the farmers provide the essential labour.

These farmers are now being oppressed and pursued as well. The authorities have ordered them not to be in the Valley region where they work after 4 pm, which means that the group of 5000 people in the agricultural sector must return to their homes, and as we have said, most of them are from Tubas, so the imposition of this military order would mean that the farmers would get home at around 9 pm and would stop work at 3 in the afternoon in order to leave before 4, according to the military order. In that event, all the agricultural operations that are done at night would be lost; moreover, the farmer is used to living on the land, caring for it with his children awaiting the season when he is reimbursed for what he spent in effort and money. Then the application of this aforementioned order is harmful to the agricultural process itself, and has a negative impact on agricultural production, and we should mention that this production is centered mainly in the Valley region.

The military order was clear, and it stipulates that anyone not bearing an identification card for the city of Jericho is forbidden to be in the region after 4 pm, and that clearly means that the farmers in the Valley are the target of the military order, because we all know that the farmers in the Valley are from outside the Jericho region, from Tubas and Nablus especially, to be precise, and this military order treats Jericho as if it had been completely annexed into Israel!

There is no doubt that the dimensions of this decision are extremely serious. On the one hand, the military order constitutes a blow against the agricultural sector that is a step towards completely crippling it, for when the farmers are restricted from living in the region, it has a negative, destructive impact on agriculture itself, agriculture which has become comparable to subsidized Israeli agriculture and which has had great success in the Valley in spite of all the obstacles and in spite of the establishment of agricultural settlements in that region. On the other hand, the implementation of the military order requires that everything built by the farmers in the region, such as the wooden huts and other things, be demolished. Also, the most serious aspect of the aforementioned order is that it is an intentional and studied attempt to force the farmers to not return to the Valley and to disperse them here and there or to make them go to Israeli factories and workshops, and so the land will not be farmed. This is what the authorities are trying to do, and when that

happens it will be easy for them to take control of the lands and the people will lose one of the most important sources of income. Even if the farmers submit to the military order, hours of work will go up in smoke, hours spent traveling between the Valley and the places where they live, in Tubas and elsewhere.

In any case, the military order has been given to the farmers, who immediately sent a protest to the authorities, and contacted the attorneys' office to bring

up the issue so that this unjust order might be rescinded. But the authorities are determined to carry out the aforementioned order; that is what was said during a meeting which took place between a group of farmers and authorities of the military rule in Jericho.

12547

CSO: 4404/50

FORMER MAYOR KHALAF EXPRESSES WEST BANK FEARS

London AL-SHARQ AL-AWSAT in Arabic 10 Oct 84 p 8

[Article by Robert Little]

[Text] It was the famous English poet and playwright William Shakespeare who asked this searching question in his play "Hamlet":

To be or not to be; that is the question:  
Whether 'tis nobler in the mind to suffer  
The slings and arrows of outrageous fortune,  
Or to take arms against a sea of troubles,  
And by opposing end them.

More than four centuries after it was raised, this hypothetical question is more than just a dramatical quotation to Karim Khalaf and the 1.6 million Palestinians in the occupied territories.

For Karim Khalaf, the former mayor of Ramallah, sees the "slings and arrows of outrageous fortune" as something that is quite difficult to live with. This quote speaks truly of his own condition personally, in view of the fact that he lost the lower parts of his legs 4 years ago when his car was bombed by Israeli terrorists in an assassination attempt.

In spite of his severe physical disability, Karim Khalaf is still a force to be reckoned with on the West Bank, and the Israelis who expelled him still take him into consideration, even though he refers to himself jokingly as just a "paper tiger."

I spoke to Karim Khalaf in his home overlooking the orange and pomegranate groves that cover the slopes of the beautiful Jordan Valley. In the shady courtyard I sensed the extent of his influence upon seeing the large crowds of farmers and merchants who were waiting for help and advice from him in solving their problems, and he confirmed that that occurs "unofficially." He went on to say:

"We Palestinians living here in the occupied territory, along with our brothers who live outside of the occupied territory, we believe in peace. But the question that the world (and America particularly) should ask is: Is Israel

ready for peace? My answer to that, my friend, is no. For Israel and America which supports it are considered to be a stumbling block on the road to peace."

Karim Khalaf continued that if the Israeli government and people really want peace, they must immediately stop seizing Arab lands and building new settlements on them in the occupied territories. But he announced that the Israelis are not limiting themselves to building just settlements: they are erecting the beginnings of new cities, and Jewish immigrants from Europe, America, the Soviet Union and from the four corners of the world, "those who know nothing of this land and its people," will live on that land that was wrested by force from the Palestinians whose families had lived on it and owned it for hundreds and thousands of years.

By such behavior, according to Karim Khalaf, the Israelis demonstrate that they do not want to seek a peaceful, comprehensive settlement with the Palestinians. If they were really interested, it would not be appropriate for them to continue their expropriation and settlement activities on lands which everybody knows do not belong to them.

Karim Khalaf explained that the town of Ramallah has become completely surrounded by eight new Israeli settlements. And along with that, the Palestinians who live within the town are not allowed by the military administration to add a single dunum to their lands.

"Who does Shimon Peres think he's fooling when he invites the Arab nations to join his government in working towards laying a strategy for peace? In the first meeting of his cabinet, the erection of six new settlements on Arab land was approved."

When Karim Khalaf's car was blown up in 1980, along with that belonging to the mayor of Nablus, Bassam al-Shak'ah, Khalaf was surprised when he learned that the terrorists who had wanted to assassinate him had been acting with the knowledge and approval of the military authorities.

#### Israeli Terrorism

Karim Khalaf says that for 12 years he had continued to deal personally with the deputy military governor of Ramallah. The Israeli official used to visit the mayor's office once a week to discuss with him municipal affairs and other matters. "Therefore I was surprised when I heard that he was one of those who had played a role in the assassination attempt."

Karim Khalaf still shakes his head in amazement that one of the participants in the assassination attempt was himself the senior Israeli officer who used to keep in touch with him in a regular and trustworthy manner as deputy to the military governor of the region.

About this he says: "We were accustomed to meeting once or twice a week in the town hall to discuss municipal matters. The laws of the occupation say that he should protect me and the people of Ramallah, but after that we discovered that he had been in collusion with the settlers in their attempt to assassinate mayors of West Bank towns. So who can we trust now?"

"As you saw for yourself when you came, it is impossible to tell the difference between an Israeli soldier and a Jewish settler. Both carry weapons wherever they go, and the soldiers have no power over those immigrant settlers. The settlers do not give a hoot for the authorities, and they are free to do whatever they please.

"So you see we are not safe here; rather we live under continuous fear of attack by the settlers who are rarely just. And they are all supporters of Meir Kahane.

"And as you can see from the trial that is going on in the Jerusalem branch court, the internal security administration is involved with the terrorist organizations that exist among the settlers."

#### Policy of Removal

Karim Khalaf told me about that day in March 1982 when he and nine other West Bank mayors were removed from their posts on the order of the Israeli military command.

"It was at 5 am when Israeli soldiers surrounded my house. They broke into the house and gave me half an hour to put on my clothes and my artificial legs . . but they refused to let me shave.

"When I left the house, I saw over 100 soldiers completely surrounding the house. Did they actually think I would try to run away on my artificial legs? There were tanks, military trucks, and jeeps blocking the road to the outside, and they put me in a military car and they did not stop even at the military command post in Ramallah, rather they continued north to the headquarters of the supreme commander near Nablus.

"At that time I was still walking with the help of crutches. At the military headquarters they brought me to a room where about officers of the rank of general and colonel were sitting. At the head of the table I saw General Orloff who was responsible for the central region of the West Bank.

"As I was heading towards a chair prepared for me, I said good morning, but nobody replied to me. I was given scraps of paper and told that General Orloff would speak in Hebrew, and that his speech would be translated into Arabic, and that I should write down what I wanted to tell him.

#### Charges, Harassment and Removal

"After that General Orloff spoke, while seated, in a military tone of voice saying: 'I, General Orloff, commander of the central military region of the West Bank, must inform you, Karim Khalaf, mayor of Ramallah, of the following:

'First: that we have information that you are a member of the Popular Front that aims to destroy the state of Israel. Second: that you are a leader and an active member in the National Guidance Committee within the occupied territories. Third: you are charged with sedition and encouraging Arab students to organize demonstrations and shopkeepers to close their shops and calling for

strikes. Therefore I have decided, according to law and the authority vested in me by the supreme commander of the Israeli Defense Forces, to remove you from your post as Mayor of Ramallah as of now.'

"I answered him saying: First of all, I am not a member of any political organization, for I am an ordinary Palestinian who was elected mayor of the town by the people of Ramallah to administer their municipal affairs. However, I belong to my people, who recognize the Palestine Liberation Organization and its leadership over them. The Palestine Liberation Organization is an agency that is recognized by the United Nations. And we recognize the Palestine Liberation Organization, and the Palestine National Council as the sole instrument with authority to speak for our people.

"There was no need to respond in detail to the list of charges, because the Israeli general would not have believed anything I said. In spite of that, I told him that I refused to cooperate with the civilian administration, because it treated us as if we were strangers in our country, while we were its lawful possessors. Our country is now suffering under your occupation, and your presence here is illegal.

"Before the Israeli general ordered me to be thrown out of the room, I told him that Jordanian and international law recognize the fact that I was elected by my people, and therefore I would continue my work and duties as Mayor of Ramallah, and that I would now leave that room and go to my office.

#### Cheap Bargaining

"Often they brought mayors of towns in the occupied territories to the office of the military governor for talks, but we would refuse to participate. We would tell them that the Palestine Liberation Organization alone had the right to negotiate for our people. For my part, I was elected Mayor of Ramallah, not a leader of the Palestine Liberation Organization, and therefore when it comes to politics, I do not represent even my wife." Karim Khalaf explained that one of the biggest problems faced by the people in the occupied territories is that the larger towns on the West Bank, such as Ramallah, Hebron, Bethlehem, Nablus, Janin, and Jericho, etc., are not permitted, by military decree, to extend their boundaries even by a single meter. And since the populations of these towns are growing, more and more people are being forced to add on floors to their buildings.

And due to the lack of safe building designs and adequate sewage facilities, some of those new buildings have become extremely dangerous.

Karim Khalaf says: "It is very difficult for me to explain to you how a person feels when he is treated like a third-class citizen in his own country, his own land."

## BRIEFS

RAFAH MAYOR APPOINTED--Brigadier General Abraham Benyamin, head of the civil administration in the Gaza Strip, appointed pharmacist Sulayman 'Awdah Muhammad Za'arab as head of the municipal council in Rafah, succeeding the former mayor 'Abd al-Hamid Mansur Qashtah, who was recently assassinated. [Text] [Jerusalem AL-QUDS in Arabic 4 Oct 84 p 4] 12547

YATTA LAND EXPROPRIATIONS--The day before yesterday, authorities responsible for such matters issued a decree expropriating several thousand dunums of land around the town of Yatta, which lies in the regions of Susya, Wadi al-Rakhim, al-Farsh, and Khilal al-Hums. These vast areas belong to the Abu'Id and al-Huwayzat families. The authorities demanded that all those concerned with those lands refrain from farming them or benefitting from them, and that they let go of them immediately. This comes after the authorities had confiscated thousands of dunums of Yatta lands and built two settlements upon them. They are now trying to build more settlements in order to completely encircle the town of Yatta and the agricultural and mountain lands. [Text] [Jerusalem AL-QUDS in Arabic 5 Oct 84 p 18] 12547

CSO: 4404/50

REAL ESTATE FUND FIGURES VIEWED

London AL-SHARQ AL-AWSAT in Arabic 26 Sep 84 p 4

[Text] Minister of Finance and National Economy and Board Chairman of the Saudi Real Estate Development Fund Muhammad Aba-al-Khayl praised Saudi monarch King Fahd bin 'Abd-al-'Aziz and his crown prince for their support of the development fund. He stated that this support had a major impact on the building of the huge number of modern residential units that the citizens are blessed with in all of Saudi Arabia's cities and villages.

In his introduction to the Real Estate Development Fund's recently issued annual report for the 1402-1403 A.H. (1982-1983) fiscal year, Aba-al-Khayl said that, in the years between its inception and the present, the fund has provided supervisory services that have contributed, alongside the activities of the other national development funds, to moving the wheels of development forward by spreading the prosperity among all classes of citizens.

He pointed out that the fund's capital had multiplied from 250 million riyals to 59.5 billion riyals between the time it began its activities in fiscal year 1394-1395 A.H. and fiscal year 1402-1403 A.H. This huge amount of lending reflects the extent of support the Saudi government has given to real estate activity.

The Saudi minister of finance added that during the 1402-1403 A.H. fiscal year the fund had granted loans amounting to 9,438,000,000 riyals to contribute to the construction of 42,430 homes.

He said that the total amount of loans granted by the fund between the time of its establishment in the month of Jumada II 1393 A.H. and the end of the 1402-1403 A.H. fiscal year was 34.9 billion riyals. He pointed out that these loans were all granted to individual citizens in about 1,650 cities and villages to help them build private homes.

He added that the fund provides loans for real estate investment projects aimed at constructing housing compounds or apartment buildings as real estate investments. He stated that during the 1402-1403 A.H. fiscal year the fund granted loans totaling 495 million riyals to finance 230 projects. Aba-al-Khayl pointed out that, between the time it began financing investment projects in fiscal year 1396-1397 A.H. and the end of fiscal year 1402-1403

A.H., the fund granted 19,120 loans for this type of investment valued at 3,793,000,000 riyals. These loans financed 21,753 residential units, offices and exhibition halls.

Director General of the Real Estate Development Fund Ahmad al-'Uqayl stated that, during the first 3 years of the third 5-year plan that began in 1400 A.H., the fund was able to provide 118,780 residential units, exceeding the fund's expected participation in the 5-year plan by about 15 percent. The plan estimated that a total number of about 367,153 residential units would be provided by both the government and private sectors.

He pointed out that by the end of the second development plan the fund was able to provide loans for the construction of 300,163 residential units, or 59 percent [as published] of the expected housing needs for the period of the plan. The estimated total number of homes that were expected to be provided by both the government and the private sector was about 367,153.

He said that the total amount that the fund had received from borrowers was 6,639,000,000 riyals. He stressed that this was attributable to the cooperation of the public and the efforts the fund is making to improve the rate of repayment.

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CSO: 4404/31

## PROGRESS AT VOCATIONAL TRAINING INSTITUTES EXAMINED

London AL-SHARQ AL-AWSAT in Arabic 21 Sep 84 p 6

[Text] After the completion--or near completion--of infrastructure development projects in the Kingdom of Saudi Arabia, the state began to devote greater attention to training programs that would ensure the necessary preparation of mid-level technicians to manage, operate and maintain these projects, which include such things as road, communications, airport and other projects that provide the services represented by infrastructure development.

In this report, we will try to cover one of the organizations that is charged with the preparation and training of the generations of Saudi technicians needed to work in the projects that have been completed. This organization is the Center for Vocational Education. Before we talk about the center, we must devote a few lines to the story of training and vocational education in the Kingdom of Saudi Arabia.

Responsibility for overseeing the vocational institutes and vocational education centers in Saudi Arabia used to be divided between the Ministry of Education and the Ministry of Labor and Social Affairs. It was decided to unify the supervision of these centers and institutes to ensure effective implementation, planning and programming in this field, and in 1400 A.H. (1980) the General Organization for Technical Education and Vocational Training was established. It was given administrative independence and charged with overseeing this vital and important sector. This sector has received the lion's share of the budget in recent years since the preparation and administration of infrastructure development projects in the kingdom will fall on the shoulders of the qualified Saudi youth of that sector, which is charged with the management, maintenance and operation of the projects that will require large numbers of technicians upon their completion. The role of the high level technical experts will decline on both the planning and implementation levels. Then the al-Jubayl and Yanbu' industrial projects as well as others will require thousands from these cadres of Saudi technicians to carry out the work in them.

### Ambitious Goals

The General Organization for Technical Education and Vocational Training seeks to raise the level of training, whether on the preparatory level or the

or the highest work levels in both the government and private sectors. The organization also focuses on technical research aimed at improving productive capacity and developing work performance. The organization plans to transform average workers into trained technical workers, introduce advanced techniques in the technology field, and provide opportunities to the young and illiterate who have not enjoyed a public education by offering them morning and evening programs to qualify them to receive vocational and technical training certificates.

The Vocational Education Center was established in 1394 A.H. and was attached to the Vocational Training Center temporarily, until its new headquarters is completed, which it began to move to recently. The center includes departments for general mechanics, welding, general carpentry, electronics, auto mechanics, metalworking, refrigeration, computer and typing skills, book-keeping, secretarial and office skills, and warehouse management. The programs offered in these sections are aimed at guiding youth between the ages of 14 and 17 into occupations that are commensurate with their capabilities and natural dispositions through continuous training at training centers and on the job training. The teaching method at the Vocational Education Center gives its students a knowledge of the principles and basics of the various vocations and trades in order to allow them to choose the vocation or trade that corresponds with their mental capacities and personal ambitions.

#### Intensive Training

The period of study at the Vocational Education Center is 10 months, during which the trainee moves through all the departments to learn close up about the various occupations. The center has a capacity of about 300 trainees, and it provides for all of their needs from housing to clothing and food. Professor Ahmad al-Ghamdi, the center's assistant director, says that about 80 percent of the center's graduates go to complete their training at the Vocational Training Center in Jiddah. Studies there continue for a period of 1 year, during which the trainee specializes in one of the various vocations. The student receives practical and theoretical training so that he will have a complete understanding of the secrets of the trade he has chosen.

The center includes fully equipped workshops for training in the various sections. Saudi teachers comprise about 80 percent of the teachers and trainers at the Vocational Education Center. The center's permanent headquarters, which began to be moved into recently but is not yet completed, contains various workshops equipped with the most modern tools to enable the student to become familiar with various aspects of a vocation outside of his classroom work. The Vocational Education Center's new building in Jiddah includes a large gymnasium for sports, a mosque, landscaped areas, a cafeteria, a large auditorium, and a restaurant supplied with modern equipment. The building also includes a football field, a backgammon area, a basketball court, and a water purification plant that prepares the center's water to be used after it is treated to irrigate the gardens and landscaped areas.

## Conditions for Admission

There are conditions for admission to the center. The student must have Saudi citizenship and his guardian must agree to his entering the course. He must be between 14 and 17 years old, except in the case of admission to the business department, which will accept students up to 30 years old. Special classes are set up for students over 20. Acceptance to the center requires maturity and physical fitness. The applicant must have completed the fourth year of elementary school. The center's officials, however, can excuse this requirement if the student is deemed fit for training.

Tests are given during the 10-month period that correspond with the period of the course. For example, there are mid-term and final exams in addition to monthly exams. The student must have a cumulative grade of 50 percent to obtain a graduation certificate from the center. There are a number of responsibilities that the trainee must fulfill, such as respecting the instructions of the center's officials, adhering to the training work schedule from beginning to end, not being absent from the center without an official excuse and permission from the center's administration. The trainee must also adhere to the internal regulations that pertain to trainees who have come from areas far away from the city and who enjoy campus housing. He must engage in proper behavior and must maintain the integrity of the machines and tools that are used for training. In addition, he must abide by vocational safety and security standards.

The center seeks to refine the capabilities of students in the business department and increase their skills by applying a specialized program without neglecting materials from the other departments. The goal is to qualify the trainee to perform a job with perfection and to know all the means and methods of the job.

## Numerous Benefits

Completion of the Vocational Education-Center's permanent headquarters and the facilities in it will undoubtedly help the trainers to make a greater effort to achieve the goals sought from them.

The center offers many benefits to those who join it and we can summarize them as follows. There is a monthly stipend of 500 riyals and each trainee who finishes the course successfully receives 3,000 riyals. There is a 120-riyal food allowance and a 320-riyal allowance for work clothes and shoes. Also, any student who receives distinguished grades receives a 1,000-riyal award. The center guarantees air conditioned housing furnished with new furniture. The center also organizes other activities so that the trainee can utilize his spare energies and time in a way that is beneficial and useful.

12608

CSO: 4404/31

## RIYADH WATER PLAN DETAILED

London AL-SHARQ AL-AWSAT in Arabic 30 Sep 84 p 3

[Text] The total length of the water network, which the Riyadh water maintenance and operations program is running and maintaining, was 3,695 km at the end of 1402 A.H. (1982). In addition, the total number of residential hookups at the end of the same year was 110,682. The average amount of water distributed to consumers in the city of Riyadh during 1402 A.H. was 455,00 cubic meters per day. By comparison, in 1399 A.H. (1979), the total length of the water network that was operated and maintained by the project was 1,860 km, there were 66,460 residential hookups, and the average amount of water distributed to consumers in the city of Riyadh during that year was 178,675 cubic meters per day,

An annual report issued by the Riyadh Province Water and Sewer Authority concerning the activities of the Riyadh water operations and maintenance program for 1403 A.H. reported that between 1399 and 1403 A.H. the length of the water network increased by 100 percent. Also, the number of residential hookups increased by 66 percent and the amount of water distributed per day increased 155 percent during the period.

There are 161 (as published) operational wells--considered the primary source of Riyadh's water--including 126 deep (manjuriyah) stratum wells and 25 surface wells. There are 65 wells inside the city of Riyadh, including 40 deep (manjuriyah) wells and 25 surface wells. These are distributed throughout ten locations within Riyadh city.

The water in the deep (manjuriyah) wells inside Riyadh are supplied with water from the subterranean (manjur) stratum. The water from this formation is considered somewhat brackish and very warm. These wells were dug many years ago, some as many as 20 years ago, and at depths reaching as much as 1400 meters. There are 40 such wells.

The surface wells, however, are fed by rain water and runoff, and are located in wadis in the Nimar, al-Ha'ir, and Nisah regions. Most of this water is considered to be sweet with very little salt content, especially the Nisah water. These wells were dug over 20 years ago at depths of no more than 220 meters. There are 25 of these wells.

There are 96 wells outside the city of Riyadh. All are deep wells distributed throughout the fields of Salbukh, Buwayb and Wasi'.

The Salbukh field is comprised of 16 deep wells that are fed by the subterranean (manjur) stratum. Well drilling in this field began in 1396 A.H. (1976) and the wells were equipped with submersible electric pumps. Pumping from the wells began in 1398 A.H. and the average well output is about 900 gallons per hour.

The Buwayb field is comprised of 18 deep wells that are fed by the subterranean (manjur) stratum. Drilling the wells in this field began in 1398 A.H. and they were equipped with mechanical bottom pumps. They began operating in 1400 A.H. and the average well output is about 900 gallons per hour. In 1403 A.H., the pumps were replaced with pumps with submersible electric motors. The pumps are capable of pumping water from the depths of the deepest possible wells. The pumps were replaced after the subterranean water level was found to be unexpectedly low.

The al-Wasi'i field is comprised of 62 deep wells. It is located 110 kms east of Riyadh. The wells in this field are fed by the subterranean al-Wasi'i and al-Bayadh sedimentary formations. This water is considered somewhat brackish and rather warm. All of the wells in this field were dug in 1400 and 1401 A.H. at depths of no more than 500 meters. The wells are equipped with submersible electric pumps. Pumping began in 1402 A.H. and the average output of a single well is about 880 gallons per hour. Currently, the water from these wells, after being purified at the al-Wasi'i purification plant, is mixed with sweet water from al-Jubayl before entering the water pipelines that feed the city of Riyadh.

There are three water purification plants inside the city of Riyadh: al-Malazz purification plant, al-Shumaysi purification plant, and the Manfuhas purification plant. The water purification plant at al-Malazz operates at a maximum production capacity of 42,000 cubic meters of water per day. It receives its water from five deep (manjuriyah) stratum wells. After being treated, this water is kept in the plant's ground storage facility that has a capacity of 10,000 cubic meters.

The water purification plant at al-Shumaysi has a production capacity of 36,000 cubic meters of water per day. It is fed from nine deep (manjuriyah) stratum wells. Its old storage facility uses water pumped to it from 16 surface wells in Nisah that is first sterilized with chlorine at the preliminary purification plant at al-Ha'ir.

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CSO: 4404/31

## BRIEFS

INDUSTRIAL DEVELOPMENT FUND LOANS--The Saudi monarch King Fahd bin 'Abd-al-'Aziz received from Saudi Minister of Finance and National Economy Muhammad Aba-al-Khayl the annual report of the Saudi Industrial Development Fund for the 1403-1404 A.H. (1983-1984) fiscal year. The report included the most important accomplishments of the fund in financing electric utility projects and training center projects in various parts of Saudi Arabia. During the 1403-1404 A.H. fiscal year, the fund granted 70 industrial loans at a total value of 1,174,100,000 riyals. From the beginning of its activities on 13 [month illegible] 1394 A.H. to 30 Jumada II 1404 A.H. [April 1984], the fund granted a total of 976 loans to national industries with a total value of 12,417,00,000 riyals. These economic loans made possible the establishment and expansion of 843 factories in 50 Saudi cities and villages, encompassing more than 27 types of industries. During the 1403-1404 A.H. fiscal year, the fund also granted loans to 86 national electric companies, which have since merged into 11 companies. The value of the loans was 4,169,100,000 riyals, making a total amount of 38,943,000,000 riyals granted by the fund from its inception to the end of the month of Jumada II 1404 A.H. to national electric companies. The fund granted 57 loans for training centers between the month of Rajab 1400 A.H. [May 1980] and 30 Jumada II 1404 A.H. [April 1984] at a total value of 236,500,000 riyals. The annual report indicates that loans procured by the fund totaled 3,223,200,000 riyals at the end of the 1403-1404 A.H. fiscal year. [Text] [London AL-SHARQ AL -AWSAT in Arabic 22 Sep 84 p 5] 12608

CSO: 4404/31

## POTENTIAL ASSASSINS ARRESTED ON PAKISTAN BORDER

Calcutta THE STATESMAN in English 27 Oct 84 p 1

[Text] Amritsar, Oct 26--A Pakistan-aided plot to "eliminate" several national leaders in Delhi and elsewhere and the Nihang chief, Baba Santa Singh, has been foiled with the arrest of four hardcore terrorists, police said today, reports PTI. Among them, two were trained by the Pakistan Army.

The district police chief, Mr Bua Singh, said the terrorists were arrested early today in the Ajnala sector on the Pakistan border. They were traveling by car.

They have been identified as Upkar Singh Sandhu, brother of Harminder Singh Sandhu, general secretary of the outlawed All India Sikh Students Federation, Iqbal Singh, a close associate of Bhindranwale, Baksish Singh and Mangat Singh. The fifth terrorist managed to escape.

## Foreign Arms

Police said that all the four were equipped with foreign arms and ammunition including two sten guns, two revolvers of 455 and .38 bore, four loaded magazines of sten guns and 355 cartridges of different calibre.

The police chief said that two of the terrorists went to Pakistan several times for training and crossed back to India to "strike at some VIPs."

Upkar Singh Sandhu confessed that they moved with two loaded revolvers for the purpose but could not strike because of heavy security arrangements around these VIPs.

Mr Bua Singh said that Sandhu disclosed that the "special revolvers" they were carrying were fitted with silencers.

They admitted that heavy "remunerations" were given to them by the Pakistan Army for the specific task of "eliminating some of the national leaders and anti-Sikh elements."

He added that the Pakistan Army had taken photographs and other details of both Iqbal Singh and Sandhu before detailing them for this task "with the promise that in the event of their successfully doing their job, they would

have a direct link with the Pakistan Embassy in New Delhi from where they could draw or get any amount of money they liked."

"The Pakistan Army officials who trained them also exhorted Upkar Singh to try and bring along with him his real uncle, who is a Major in the Indian Army, but he refused to accompany him to Pakistan."

The car in which the terrorists were travelling was recently stolen from the Civil Lines area.

#### Smuggling

Mr Bua Singh added that during preliminary interrogation the terrorists confessed that they had been smuggling gold and silver on a large scale.

Upkar Singh Sandhu and Iqbal Singh crossed over to Pakistan in August and were welcomed by Army officers. Both stayed there till September 25, and were taken to different places. They were trained in the use of the stengun and other sophisticated weapons at selected Army firing ranges.

Mr Veer Singh, brother of Bhindrawale, was arrested under the Arms, Explosives and Unlawful Activities Acts in Moga today. Police seized a stengun, a hand grenade and 100 cartridges.

CSO: 5650/0024

# REPORT ON SECURITY TASK FORCE AROUND MRS GANDHI

Calcutta THE STATESMAN in English 1 Nov 84 p 12

[Text] Oct 31--A special task force, consisting of men drawn from the Delhi Police, the Central Reserve Police Force, the Indo-Tibetan Police Force and other agencies, was formed last year for the security of the Prime Minister.

The task force was created on the recommendation of senior security advisers, including Mr R.N. Gao, Mr G. Saksena, Mr N.F. Suntook and others. Prior to the formation of the force, a special "district" had been created for providing security to the Prime Minister. This district has been headed since its inception by Mr G.R. Gupta, former Watch and Ward Officer in Parliament House.

Recruits to the task force were subjected to intensive guerrilla training and were taught the latest security measures which are in use in Western countries. Performance of all members of the force was constantly monitored.

## Elite Corp

Following the Army takeover of the Golden Temple and the developments in Punjab in June, antecedents of all members of the task force were re-scrutinized to ensure that no person whose bonafides could not be vouched for remained in the elite corp.

Also, intelligence agencies were under instruction to maintain round-the-clock surveillance on the members of the special task force to ensure that they were not contacted by any subversive elements.

In the circumstances, intelligence sources were baffled at the fact that the security guards responsible for the assassination could continue in the task force.

Following the controversy last year about members of the Prime Minister's security entourage--who had accompanied her on her trip to Europe and the USA and brought back large quantities of electronic goods--a number of persons were transferred out of the prestigious force. According to sources, "more than extraordinary" precautions were taken in checking the antecedents of these recruits.

## Special Officer

Besides the special task force and the security district, an officer of the rank of Joint Director was deputed in the Intelligence Bureau to monitor the Prime Minister's security.

In fact, the present Commissioner of Delhi Police, Mrs C. Tandon, had earlier occupied the Office of Joint Director (V.S.), looking after VIP security. Two Deputy Directors, a number of Assistant Directors and several other ranks in the Intelligence Bureau also had the fulltime job of ensuring the Prime Minister's security.

Recent decisions taken by the security agencies to intensify the protection of the Prime Minister include the blocking of Saidarjang Road; withdrawal of her grandchildren, Rahul and Priyanka, from schools in Dehra Dun; provisions of a security escort to Feroze Varun, Sanjay's son; increasing the number of guards accompanying Mrs Gandhi and Mr Rajiv Gandhi and the presence of a "double" at the Independence Day ceremony.

Other security measures included the presence of a well-trained "ring" of guards to surround Mrs Gandhi in the event of an attack. Sources, however, admitted that the attack came at a place where it was least expected--Mrs Gandhi's house--and from those who were least expected to make it--her own securitymen, putting a spoke in the security wheel.

They pointed out that while the assassination could be described as a failure of the Intelligence agencies, the fact that it succeeded could not be blamed on the securitymen. The greatest dread of any anti-assassination squad is a martyr who is prepared to die to make his attempt a success, they said.

And there is nothing that could be done to prevent one who was prepared to kill with complete awareness that he would not live to tell the tale. How persons with such an inclination were provided an opportunity to make the attempt is what will have to be the aim of any post-mortem.

## Doctors in Attendance

Besides the elaborate security arrangements the Directorate General of Health Services had following the Punjab agitation, formed a six-member team of doctors who, in rotation, accompanied the Prime Minister--to be on hand in the event of an assassination attempt.

The team was under the overall supervision of Dr K.P. Mathur, the P.M.'s physician and medical superintendent of the Ram Manohar Lohia Hospital.

On the advice of the security branch of Delhi Police, the team of doctors was formed in May. The doctors were drawn from the Central Government Health services panel.

They were trained by experts in providing immediate post accident care and in treatment of gunshot wounds. One doctor was to be on duty with the Prime Minister round the clock, at 1, Safdarjung Road and any place Mrs Gandhi would visit in Delhi.

CSO: 5650/0027

## ANALYST ON FINANCING OF INDIAN POLITICAL PARTIES

Madras THE HINDU in English 29 Oct 84 p 6

[Article by G.K. Reddy]

[Text]

NEW DELHI, Oct. 28.

An important feature of the coming parliamentary elections is that the Congress (I) has not so far approached any of the big business houses for contributions to finance the campaign.

Top industrialists in the country, used to being induced or pressured to part with some of their black money as one way of placating the party in power in buying peace for themselves, are puzzled over this new phenomenon of the Congress (I) not seeking any donations from them.

**Other sources:** The current Congress (I) policy is to find the money from other sources, although individual leaders in their private capacity continue to rely on industrialists, traders, contractors and other affluent sections. As nobody gives anybody anything for nothing, a *quid pro quo* which operates even in normal times acquires an extra dimension on the eve of every election, which has become an increasingly expensive affair in these days of inflation.

The Opposition parties, which are no less guilty of such infractions, are smelling a rat behind this new Congress (I) policy of not relying unduly on big business contributions for meeting its election expenses. They have started a whispering campaign that the Congress (I) is going to fight the parliamentary elections, largely if not wholly on kickbacks from big commercial transactions.

**A fine art:** The Indian politicians, who have transformed fund-raising into a fine art over the years, utilise every possible opportunity for collecting money on any pretext, and are never short of financial resources for fighting elections. But the Indian experience has been that money by itself does not ensure victory in all situations, as the Congress learnt to its cost in 1977 or the Janata ractions in 1980.

The absence of adequate financial resources could, however, be a major handicap in fighting elections under present-day conditions. According to one estimate, the Congress will have to spend at least Rs. 100 crores, if not more, during the Lok Sabha elections and perhaps a bigger amount on the Assembly elections in many States next year. If the party is not going to rely heavily on big business houses, the money has to come from some other sources.

The non-Congress (I) parties, except those in power in some of the States, have relatively fewer contributors, since many industrialists, traders and others do not want to risk governmental displeasure by financing those in the Opposition. But some of them manage to play safe by doling out money to those in power as well as in the Opposition.

**Only in cash:** After the imposition of the ban on company donations, political parties have been accepting contributions only in cash, generating more and more black money and leading in turn to a general decline of moral values followed by widespread corruption in public life. The recent Ordinance seeking to plug the many loopholes in the existing ban on the acceptance of foreign donations without prior clearance is not likely to eradicate this evil, since much of this money now comes through commercial and not diplomatic channels in the shape of kickbacks, and commissions on deals running into thousands of crores of rupees.

There is no way of controlling the spread of this evil until all the political parties, whether in power or Opposition, get together to devise some method of avoiding the use of tainted money in elections, which is not in the realm of practical politics at present. And so the country has to learn to live with it in the prevailing atmosphere of permissiveness with no constraints of any accountability for one's licentious actions.

FUGITIVE CLERGYMAN INTERVIEWED BY TUNISIAN PAPER

Tunis AL-RA'Y in Arabic 5 Oct 84 pp 13, 15

[Interview with Hojjat ol-Eslam Tehrani by Muhammad ibn Salih: date and place not specified]

[Text] In the religious hierarchy, the title of Hojjat ol-Eslam comes immediately before that of ayatollah.

In the political field, Hojjat ol-Eslam Tehrani, an old fighter against the tyrannical shah, knew in those days the bitterness of prison and the torment of exile. He fought alongside many other men of religion. The revolution came, the shah departed, and Tehrani became a prominent member of the Council of Experts. He began to see clearly the deviation of the revolution and proclaim his angry thoughts. His life was in danger so he fled to al-Najaf after the government ordered his execution. He resides (where Imam 'Ali is buried) and performs his duties toward the many Iranians who live in the city. He also talks on radio and television to his fellow countrymen in Iran.

Tehrani is listed in the civil status register as the brother-in-law of President Khamene'i.

In the intellectual field, Hojjat ol-Eslam Tehrani has published a number of books in which he revealed his conception of the Islamic republic.

In a very unpretentious house next to the mosque where he preferred to stay after politely declining to accept the splendid home offered him by the Iraqi leaders so that he could remain next to the mosque. I met him in a room that was bare except for a mat, a simple rug, and some religious books scattered about. The following conversation ensued.

[Ibn al-Salih] In the days of your struggle against the shah, did you ever imagine the revolution would turn out the way it did? I am referring to the mass executions, the gallows. How can a revolution occur, gain power, and then begin to devour its children?

[Tehrani] We never imagined that mainly because of our complete trust in Khomeyni. He once told me personally: "We do not want power. We are only seeking to get rid of tyranny and give sovereign power to the people. From

Khomeyni's statements on record anyone can learn how convinced Khomeyni was that he was confronting and battling tyranny. I should like to call attention to particular to a talk that Khomeyni gave in al-Najaf. We still have a tape recording of it in which he told the religious leaders that the government will be in the hands of intellectuals from the people. He asked the religious leaders to respect the intellectuals and not criticize them because they will run the country and beat them if they act first to do them harm. Today we say that the opposite is the case, for the mullahs are the ones attacking the intellectuals and university professors. In that memorable talk, Khomeyni said he would not be a cabinet minister because he was a man of religion. Now look at the kind of power he has.

[Ibn al-Salih] Your revolution against the shah began many years ago. Thousands took part and many died as martyrs and many were tortured. What made Khomeyni set himself up as the sole leader or above all others? Did Khomeyni surprise you during the years of struggle by the way he treated you?

[Tehrani] The revolution against the shah began when America restored him (to the throne). The revolution reached its peak in the Mosaddeq-Kashani period--(Khodast Eslam)--and revival of freedom (Bazargan and his group and Ayatollah Taleqani were at the head of it). At that time Khomeyni was a teacher in Qom and not a supporter of Mosaddeq's group. In fact, he was clearly inclining toward the shah. He would end his messages to the shah with the phrase "Your obedient servant Ruhollah Musavi Khomeyni" ("Your obedient servant" indicates loyalty). Khomeyni and his group began their struggle under the easy circumstances of the Asadollah 'Alam government period. They became prominent at the time when there was opposition to a bill submitted to Parliament by the government. The bill contained two points to which Khomeyni objected:

- (1) Replacement of the oath on the Koran by any of the revealed books,
- (2) Freedom to vote for men and women.

Khomeyni was known for his fight against this bill until he was exiled to Turkey for a year. He then came to al-Najaf where he stayed 14 years. He enjoyed comfort and safety at a time when we were struggling and enduring prison. Before coming to power Khomeyni gave us moral backing and spoke of our struggle. He also supported the Mojaheddin-e Khalq by giving them a third of the money he received as a religious dignitary. Later on you know how he changed after coming to power and how he began to kill all those who participated with him in the revolution and helped him gain power. So he surprised us and that is how he treated us.

[Ibn al-Salih] We should like you to tell us briefly about your concept of the Islamic revolution and the most important principles underlying it.

[Tehrani] I published a number of books while I was in prison in the shah's time. One of these books, which are the foundation of the Islamic regime, is "The Superior City in Islam." It is a general proposal for an Islamic regime which explained that all the government departments are for Islam, even the ministries and their practices.

In short, the spirit of the book is that government of the individual has not arisen in Islam since the appearance of the Prophet. Indeed, government is a government of divine laws in their scope and evolution.

[Ibn al-Salih] As for its goal, the Islamic revolution seeks to bring new life into society for its own happiness. Other intellectual movements have the same goal but do not have a religious dimension. Are you willing to cooperate with them and, if so, to what extent? What are your relations with other resistance groups in Iran? Are the relations principled or does the current situation play a part?

[Tehrani] We showed our awareness of Islam in the book that we published in the shah's time. But we are not ignorant of the fact that the kingdom rests on many nationalities, many sects, many creeds, and many positions on faith itself. We therefore believe that such a kingdom cannot force all the people in it to hold the same view. Therefore, during the years of struggle against the shah we used to tell the people from our pulpits: "You must unite despite your differences in order to overthrow the shah's regime." We used to say that Islam allows the people to do certain things like teaching, engage in the sciences, crafts, building, trade, and international relations. We wanted a regime that would give people the freedom to pursue these goals despite their differences. As for their personal situation, every religion according to itself.

After the revolution against the shah I told the members of the Council of Experts that these ideas that I mentioned must be applied and I kept reminding them that the country's constitution is linked to the Islamic republic.

The Islamic government has no equal and what Ayatollah al-Na'iyin said (he died in al-Najaf) in his "Exhortation to the Nation and Revelation of the Faith." Regarding the basic law of the constitutional government, he said: "We know that the laws established by man were adopted from despotism. It is said in Islam that what one does not understand in its entirety, one does not relinquish in its entirety. The street has allowed us to pay for the corrupt with the more corrupt."

[Ibn al-Salih] When the revolution broke out, enthusiasm for it ran very high. Today, however, it is resented. Is this due to mistakes in the principles of the revolution or to other factors?

[Tehrani] We stated that we favored the departure of the shah, but the group stole the revolution and deviated from its course. There is no mistake in the revolution. I support it on the basis of Khomeyni's speeches. He used to say that we are fighting against tyranny and illegitimacy. We are fighting to place matters in the hands of the people. The required cadre (Mehdi Bazargan, Sanjabi, and many others) was there to transfer power to the people, but the mistake was to place all our trust in Khomeyni since the political cadre in Iran was large. You did not have such persons in Tunisia or Algeria in the days of your revolution. However, Khomeyni broke his promises and it seemed to the people that he did not show what he really felt. That was not due to foreign pressure. Rather, he wanted to keep power for himself and his men (Beheshti, Khamene'i, Rafsanjani) and he threw out the politicians and intellectuals.

[Ibn al-Salih] Today you are in the opposition. What is your plan to save the revolution from collapsing? Can this be done simply by getting rid of Khomeyni?

[Tehrani] I believe in the need for steady resistance to tyranny and injustice whatever its source and whatever its nature in order to put an end to it and turn power over to the people. I believe in positive leadership of the people by its intellectuals and politicians (for example Bazargan and Dr Sanjabi). Only in this way will our people be free from the evil that has befallen them.

[Ibn al-Salih] The war has been going on for 4 years and the Tehran regime rejects every attempt to end it. Why doesn't it want the war to end? Moreover, Khomeyni does not conceal his desire to topple the regime in Iraq? What are the reasons for Khomeyni's hostility that impel him to send thousands to their death in war in order to overthrow that regime?

[Tehrani] Briefly, since he came to power in Iran Khomeyni has thought and planned how to create his empire, and the first country he wanted to seize is Iraq. He himself declared: "If Iraq is controlled, it will be very easy to gain control over the Gulf."

Not long ago (about 2 months ago, I think) Rafsanjani said: "If we control Iraq, we will become 60 million people and be the No 1 oil-producing country. We will be the first in the region in terms of people and oil." The war is continuing on the basis of such empty ideas.

[Ibn al-Salih] Iraq announced it is definitely desirous of ending the war and encouraging all peace initiatives. So a peaceful solution seems remote. What is your view on the scope of a political solution? Is there still hope for such a solution? If it proves impossible, the military solution remains. How do you envision

[Tehrani] The war will end when an economic blockade is imposed on Iran and Iran is not allowed to export oil from Kharg Island. Iraq must intensify the economic blockade and the war will end in this manner: Iran will no longer be able to purchase arms and the regime will get tired and sue for peace. A peaceful solution will not be acceptable to Khomeyni. Therefore, the solution will result either from the success of the blockade or the death of Khomeyni.

[Ibn al-Salih] The Arabs who are on your side in the war against Iraq, how do you account for their choice?

[Tehrani] The two regimes are outcasts from the Arab states and from the world as well. When we look at Iran, we find it to be in the same situation. The similarity exists and the coincidence is ordinary. They have agreed in this respect. But in fact we see that they differ ideologically because the idea of an Islamic republic is foreign to the thinking in Syria and Libya.

[Ibn al-Salih] As for the nationalist forces in Iran hostile to Khomeyni, what is their stand on the war? If they called for peace, what would be the nature of their attempts to impose peace? What is the scope of these attempts and their (likely) effect in the days to come?

[Tehrani] All the resistance forces in Iran and all the people are against the war. The only one who wants it is Khomeyni because he has the natural resources (oil). So he sends out the army by force and buys off the others, making them his guards.

Despite this, we see that the fronts are empty of persons (soldiers?). I believe the forthcoming attack that Khomeyni talks about will not take place. It is purely a psychological war in intent, including an attempt to disregard the internal situation in Iran.

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CS0: 4604/13

PORTUGUESE DAILY ON COUNTRY'S POLITICAL, SOCIAL CONDITIONS

Lisbon DIARIO DE LISBOA in Portuguese 18, 19, 22 Oct 84 p 10

[Article by Manuel Anta]

[18 Oct 84 p 10]

Evin--A Name to Fear

[Text] Evin! You speak this word and the reaction from an Iranian will be immediate and uncontrollable. Rich or poor, literate or illiterate, he will be unable to control the image of fear or terror that automatically spreads over his face. Would that he could! "Evin" is synonymous with repression; it is the name of the prison where, as long as it has been there, thousands of Iranians met death and were tortured. Built on top of a hill overlooking the panorama of Tehran, Evin is like a beacon for navigation: Woe to him who violates the rules of the Islamic Republic of Iran. This warning is given by a regime which insists on spreading the idea that Evin is an "oasis," a "university" for all those who are there.

"Tell the truth, tell what you saw, only what you saw." Any journalist who enters the Evin prison cannot avoid this admonition. He must only speak "of what I saw, never what I did not see." If he accepts the rules of the game, he is therefore doomed to describe an idyllic picture, to present Evin not as a prison but as a simple and pleasant temporary place for people who committed some little crimes and who decided to reflect on their past errors there. He has no other alternative.

In Evin, the journalist has no contact with death or torture nor with any mistreatment. The prisoners are well-dressed, they appear to be well-treated and well-fed.

Chanting "we are happy, we are singing and laughing," they receive the journalists with smiles and songs. One of the guiding ideas in these songs is this: "Forgive us, Imam Khomeyni, for having followed ways that are not yours; forgive us for our treason."

The audience reacts in a substantially different manner. As for the guards, the authorities, and the Islamic guides--they demonstrate their

satisfaction because they have such evident proof that "Evin is not what the opposition and our enemies say it is"; the journalists prove to be confused--there are 35 of us and we have come from all parts of the world--in view of this so openly ineffective propaganda. For most of them, "We come from Chile, Pinochet would not treat us any better."

"Death to . . ."

It is of course possible to talk to the prisoners but only in the presence of the "Islamic guides" (interpreters) who--as we were able to observe on quite a few occasions--translate only what is of interest to the regime, invent something that was not said, and tell all kinds of tall tales. Under these conditions, the dialogue between the journalist and the prisoners has no meaning whatsoever.

In a former swimming pool which has been turned into a workshop, hundreds of prisoners are making shirts and shoes, apparently for the army. Because there are journalists present, they are invited via the loudspeaker to demonstrate their hatred for the superpowers, the enemies of Iran, former friends or coreligionists, along with their loyalty to Khomeyni and the Islamic Revolution.

The response to this invitation is not long in coming: From the mouths of the prisoners comes a chorus--here and there without any great conviction--of "marg bar" (death to . . .) with well-defined targets: The United States, the Soviet Union, Saddam Hussein (president of Iraq), Mitterrand, Radjavi (leader of the "People's Mujaheddin," currently in exile in France). All of this is accompanied by "long live Khomeyni."

"Bad Show"

The afternoon prayer begins in a gymnasium converted into a mosque. Because journalists are present, the workshops are emptied and the mosque is being filled up. Prisoners of both sexes (all women are covered with the "chador," that mandatory piece of clothing which conceals their body shape and which makes them all look the same) have the right, in addition to prayer, as an extra favor, to listen to the public confessions of a repentant terrorist who, according to the interpreter, "killed 15 Revolutionary Guards."

Next to me, two journalists (one Argentine and a Mexican) mumbled: "What a bad show . . ."; the room is now astir; "brother" Lajevardi, the attorney-general of the Islamic Republic, is going to speak. He is known in opposition circles as the "butcher" of Tehran.

For him, according to the official interpretation, Evin is "the best of universities because it enables the prisoners to embark upon the path of Islam."

"I Was Tortured!"

After he had finished his speech, I dared ask him: "How many prisoners are there at Evin?" The answer was quite surprising: "I frankly do

not know." So, I asked another question: "If there are so many repentant prisoners, why do you not release them?" Once again, the reply is surprising: "They might be released from here in 6 months, a year, 3 years. You know, these things take time. They are young people; you have to give them a chance to solidify their new convictions."

Later on, perhaps in an attempt to lend more force to Lajevardi's words, an "Islamic guide" told me: "If we were to let them go now, that would be bad for them. Their former friends, the 'terrorists,' would kill them mercilessly."

The visit is about at an end! Noura, a Lebanese journalist, a specialist in Islamic law, with a thorough knowledge of the Iranian language--in other words, Farsi--managed to record the statement of a woman prisoner. On the tape we now have a denunciation: "I am 16 years old and I was tortured."

Noura did not manage to get out into the street with the tape. Warned, the "Islamic guides" seized the cassette. Noura got it back the next day. And she asked: "What happened to the person who recorded the denunciation?"

Of course, there is no answer. The person who has the answer--Lajevardi or the "Pasdarams"--are not prepared to yield their prerogatives: At all costs, they must keep secret anything that could interfere with the image that Evin is a "university."

/19 Oct 84 p 10/

The Hell of Evin

/Text/ It is impossible to learn from official sources for sure how many prisoners were sent to the Evin prison. The absence of any answer from the Iranian authorities is compensated by information now coming from diplomatic and journalistic sources and sometimes from opposition circles, pointing to the existence of about 30,000 prisoners. As far as we can tell, most of them were subjected to torture and simulated executions. It has also been said that "very few ever get out of Evin." The majority comes out either "completely converted to the values preached by the regime" or "feet first."

"Of course you saw nothing. Did you perhaps think that they were going to show you the crowded prison facilities where prisoners have to wait their turn to get some sleep?" I have a rather odd case before me: A moderate left-wing intellectual who spent some time in Evin during the time of Shah Reza Pahlavi and who, years later, with the ayatollahs already in power, returned to this hell once again.

With his eyes cold, almost glacial, he told me at length about a prison which he says he knows to be "reasonably good." He took this opportunity in order, with sarcasm, to reject the doubts of a reporter who visited the Evin prison and who "saw nothing."

"Do not be naive; it is obvious that they were not going to show the journalists all of the rooms in the house," he told me with a mocking smile on his lips.

From his story I learned that "most of the prisoners at Evin are rotting in the cellars" of the various buildings in the prison compound. He reminded me that I visited only one and that the visit was confined to the first, second, and third floors.

"The prisoners are so crowded into the cellars," he continued telling me, "that, while some sleep lying down, the others stand up and wait for their turn."

"There Are No Norms"

"Who are they?" Without anger and without passion, always with a heavy dose of aloofness to mark the rhythm of his testimony, he says: "Who are they? Well, there are all kinds: Some might be young people who distributed pamphlets against the regime as communist militants of the Tudeh [Communist Party], as militants of other parties, as 'Mujaheddin' for example, or as people who had not done anything bad."

In my interview subject's opinion, "there are no norms to determine who should be here." Any citizen can get into the kind of trouble that will bring him to Evin. "For example, it suffices for somebody not to like you for some particular reasons and he reports you to a committee."

The absence of norms is again quite striking when it comes to sentencing and executions. "Everything is arbitrary, my dear Sir. You were sentenced to 6 months in prison, and 3 years later you can still be in the slammer; and then you serve your sentence and you get out of prison and on the next day they can pick you up at your home and execute you; during just one month, they kill 300 persons per day and during the next month only 30. As you can see, there are no standards; everything depends on the mood of those in charge, on the policy of the moment," he concluded.

That policy, according to reports coming from other sources, varies according to the way the scale tips. When the "hawks" are on top--such as Lajavardi, the attorney-general of the Republic is pointed out as the figurehead of this "sensitivity"--the pace of repression picks up. When the moderate thesis prevails--the presumed successor to Khomeyni, the Ayatollah Montazeri appears to be the spearhead of that line--then repression abates.

"Re-education!"

Between the "increase" and the "decrease," Evin accomplishes its mission. When it does not kill and flay, it "re-educates." It does so, sometimes using the most diverse forms of torture, and then again resorting to the most sophisticated techniques of brain-washing.

According to rumors making the rounds throughout the capital of Iran, there are "video" rooms in Evin where the prisoners are submerged in a world of images from which they emerge one way or another: They either find inner strength to resist or they are transformed into real "zombies" of the regime, fanatics ready to give their lives for values they fought against yesterday.

"Hello, Evin?"

Then there is the story of a former secretary to the former Iranian President Bani Sadr. Adopting ideas dear to the radical left, a sworn enemy of those who forced Bani Sadr to go into exile, highly "Westernized" in her daily habits, she wound up in Evin.

Months later she returned to her home. To the horror of her family, her personality had changed completely. Her European fashions had given way to an austere "chador"; she had stopped smoking and drinking alcohol; instead of criticizing the regime, as she had done before, she now praised it.

Every day, at the same time, she was on the phone and in detail reported to her "re-educator" at Evin what she was doing, what she was hearing, what she witnessed during the day. Gradually her circle of friends shrank until she had none. For the family, she personified a nightmare. It is not easy to live with "buffoons" in your house.

But at least, she saved her life. There are others who do not even get to the "re-education" stage. The "coup de grace" heard by prisoners at night, the letters sent by the authorities to the families informing them that "your son--your daughter--your wife--your husband--was executed this morning" are proof that not everybody can be "re-educated" nor is everybody worth "re-educating."

Evin will continue to be the penitentiary of the Ayatollah Khomeyni, as it was during the time of the monarchy. An implacable penitentiary where the few who escaped from it are nothing compared to those who are still there.

[22 Oct 84 p 10]

Women = Resistance

[Text] No woman, Iranian or foreign, manages to avoid the use of the "chador" in the Islamic Republic of Iran or, at least, she has to wear a kerchief and a smock that conceals her shape. If she violates these rules, she runs the risk of being hauled off to the police station where she gets a nice beating. In spite of that, the Iranian woman insists on resisting the straitjacket that is forced upon her. She is the only visible sign of resistance to the regime of the Ayatollah Khomeyni.

Coming in from Rome, the airplane is ready to land at the Tehran airport. Next to me, F. gets excited. From a bag she feverishly pulls

a smock and a kerchief. Seconds later I almost cannot recognize my otherwise very cheerful travelling companion. Her honey-blond hair disappears under the kerchief which imprisons it; her smock conceals any vestige of elegance that had earlier been revealed by her body shape.

But it was not only her appearance that changed. Her tone of voice became harsh whereas it had been gentle earlier; her previously open and direct look is now rather furtive; and she is now definitely very tense. What happened?

I get my answer from the agitation of the other passengers on the Iran Airlines 747 who are likewise getting ready to change their appearance. Understanding the situation I turned to my travelling companion: "So long, F., good luck!" I said to her with a knowing smile. She returned it to me with the same look that I had gotten used to during about 5 hours of flying: Gentle and intimate; but then she switches back to her new image.

### Temporary Marriage

Hours later, after having settled down in Tehran, my curiosity as a Westerner seeks to discover women on the street who do not wear the "chador" or the smock, who do not have a kerchief on the head. I was not able to spot a single one, just as I had not found any throughout 12 days in various places in Iran.

It is no secret to anybody that Islam places women in a position of inferiority with relation to men. The woman is the victim of religious concepts which doom her in various ways to the status of a lesser person, deprived of the same freedoms and rights that are granted to the "ugly" male.

Her status for example prevents her from marrying a non-Muslim, whereas the man is allowed to marry a non-Muslim woman although only "temporarily."

A woman may have only one husband but the man can have several wives. The wife can be "legitimate" but she can also be "temporary." In the first case, she is entitled to complete support from the husband. In the second case--in other words, in the "temporary" marriage which lasts as long as provided for by contract and which can be one week, 15 days, a month, a day--the wife has no right to anything and she cannot demand anything. So long as the marriage is on, her only obligation is to give, never to receive. When the "contract" has run out--and that happens even if the wife should be sick, disabled, or about to die--she will have to wait several months before she can enter into a liaison with another man, as I understand it. This waiting period has something to do with a possible pregnancy.

At any rate, the "legal" or "temporary" wife can never engage in adultery. The husband can do so but if she does it, she will be stoned in the public square.

## The "Vice" Patrol on the Streets

Moving in this environment, a woman before her time--under the Islamic religion, she comes of age at 9 while the man comes of age at 15--the Iranian woman is doomed for all her life to be governed by standards which she manages to escape only at great risk.

In spite of everything, she fights and she resists. She reacts against the possibility that her husband might have several wives because she does not forget that, during the time of the monarchy, which was swept away only 5 years ago, it was not easy for a man legally to have more than one wife.

She reacts out in the streets when she exchanges the traditional "chador" and the smock for some rather inventive clothing solutions which still do not directly violate the Islamic norms although they do constitute an obvious way of getting around the law.

She reacts also when the kerchief that covers her head ends deliberately a few inches above the eyebrow line.

This resistance however costs her something. The "vice" patrols, made up of "Revolutionary Guards" of both sexes, roam the streets in an attempt to repress everything that clashes with the strict application of the Islamic Code.

## When the Home Overrules the Street

A woman caught in the act--without veil, with simple clothing, walking with a man who is not her husband--can get ready for a beating session.

Today, the law calls for 74 strokes of the whip for a woman who is caught without a veil on the street.

It should be noted that these rules apply to the street. At home, each woman can wear what she wants--of course Western-style--without veil, without "chador," without smock.

I had an opportunity to enter the homes of rich and poor people and I never saw any woman dressed up in the Islamic style. I did see dresses and other equal pieces of clothing, similar to those worn in Lisbon, Paris, or New York. At home she can be what she wants to be but out on the streets in Iran it is a different matter.

But to tell the truth, I also met women who are content with their status, who are Islamic to the very roots of their hair, and who are quite "venomous" in their questions: Do you prefer to see your daughter wearing a chador or European-style dress, in the latest fashions, concerned only with her image as a sex symbol?" My answer does not matter here because the important thing in this case is the question.

I also met women whose faith in a religion that makes them second-class citizens is not compatible with "the intransigencies caused by a religion carried to the extreme, unable to adjust to the passage and evolution of time."

One of them, a follower of the regime "as regards its good points," ended a long conversation with a significant statement: "I am a Muslim woman. He, the regime, is not: He is a fanatic!"

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# KURDISH LEADER DISCUSSES VARIOUS ISSUES

Paris LE MONDE in French 14-15 Oct 84 p 5

[Report on interview with Mas'ud Barzani, head of the Democratic Party of Kurdistan (PDK), by Elizabeth Picard; date and place not given]

[Text] A few days ago, eight Turkish soldiers were killed by Kurdish guerrillas. In the countries to which they have fled, these homeless people oscillate between rebellion and compromise. The war between Iran and Iraq, heightening their tragedy, has added a new dimension. And yet, playing one of the adversaries off against the other, they must not become puppets. How can independence be preserved despite dependency?

Mas'ud Barzani, head of the Democratic Party of Kurdistan, has, along with his brother Idriss, taken up the heavy heritage of succeeding their father, General Barzani, the prestigious and charismatic leader of the Iraqi Kurdistan who died in 1979.

Often accused by his detractors of owing allegiance to the Khomeyni regime, Barzani claims that his alliance with Tehran is circumstantial and has as its purpose the overthrow of the regime of Saddam Hussein, which in his eyes represents the main adversary of the Kurdish movement in Iraq.

Moreover, it is his relentless opposition to negotiations going on for nearly a year between Baghdad and his eternal rival, Jalal Talabani, who, for his part, has chosen to make up with the Ba'thist regime, that has so far prevented those negotiations from getting anywhere.

Somewhere in the Near East. The man is young, solidly built, his features regular. Refusing to have his remarks taped, he speaks for over an hour, in Arabic and sometimes in a slow and precise English. Initially reserved and almost conventional, he states his convictions clearly, without embellishment.

Mas'ud Barzani, one of the three sons of the heroes of the Kurdish resistance (PDK) and the federator of the Iraqi opposition. Not yet 40, he takes up a heavy heritage, a charismatic leader and the descendant of a great Kurdish family that has a strong following among the people. He is also the head of what, in his opinion, is the main political party of the Kurds in Iraq.

Barzani is anxious to recall that even during the time of his father Mustafa, the decisions of the PDK were made collectively, by the Political Bureau in particular. It is therefore he who is mainly responsible for the struggle, its past successes as well as its errors: the choices of 1972 (to accept military aid from the Shah) and 1975 (to retreat to Iran after the Algiers accord) in particular. This heritage is "painful and complex" and the current situation is further complicated by the developments of the Iraqi-Iranian war and growing foreign meddling in the region.

Today, the Kurds are learning the lessons of the past: They rely first and foremost on themselves and watch out for "imperialist traps and plots." Evoking his party's kidnaping of three French experts in Kurdistan in December, Barzani condemns the attitude of France, "which is seeking to consolidate the regime of Saddam (Hussein)," in contradiction with democratic and socialist ideals, in order to protect its economic interests. He especially criticizes France for talking with Jalal Talabani, head of the rival movement, the Kurdish Patriotic Union (UPK) through an "ambitious adventurer," the head of the Iranian PDK, Ghassemlou. In agreeing to make up with Saddam Hussein on the basis of the system of autonomy decreed in 1974, Talabani has "gone over to serve the dictatorship." Consequently, Barzani believes, he has ceased being representative of the Kurdish movement whose masses "unanimously reject the proposals of the regime." In seeking a compromise for reasons of personal interest, Talabani is helping to "stir up repression" against the Kurdish movement in Iraq.

#### Turkish Ambitions

Barzani adds that the repression continues in Kurdistan and that Baghdad has authorized, if not demanded, Turkish military intervention in its own territory, against its own citizens: Through the Ankara agreement in 1980, the border strip in which Turkish troops may intervene has been increased from 17 to nearly 40 kilometers in width. He claims that for the time being, Turkish operations such as that in May-June 1983 are essentially aimed at Barzani's PDK, which controls the mountain areas. In longer-range terms, in his opinion, they threaten Iraq's territorial integrity because Turkey "has never given up its ambitions regarding the willayet (province) of Mossoul."

On the other hand, Barzani emphatically stresses the Kurdish movement's need to develop cooperation with "progressive Arab movements" in the region, especially in Iraq, but also in Syria, the bastion of Arab resistance. "The PDK's fight fits into the context of the Iraqi homeland, most of whose inhabitants belong to the Arab nation."

And what about cooperation with Khomeyni's Iran? Barzani does not duck the question, first of all criticizing the choices of Ghassemlou's PDKI, which resorts to support from Baghdad to withstand the attacks of the Tehran regime. After the 1979 revolution, the Kurds in Iran were offered a system of decentralization "that we thought particularly favorable." Neglecting that opportunity, they shifted to a "demagogical" demand, Barzani adds. While they are full members of the Kurdish nation, the current choices of their leaders are therefore contrary to the interests of the people and "we do not like either

their style or their tactics." Having said that much, one must understand the meaning and limits of the PDK's cooperation with Khomeyni's Iran and the aid it receives from it. "Priority goes to the anti-imperialist struggle in which we are all involved," Barzani says, a struggle materialized on the regional level in the fight against Saddam Hussein and his dictatorship. However, it is important, he emphasizes, to distinguish between the political orientation of Tehran and its acts, "for which we are not responsible."

Communists: "Excellent Allies"

One must also remember, the Kurdish leader adds, that in short-range terms, there is no solution for the conflict between Iran and Iraq because Saddam refuses to give up power. Without him, negotiations would immediately become possible again between the two warring nations. On the Iraqi domestic scene, there would be a democratic solution to the problem of government and to regional problems. It is all "a matter of confidence" and "the Kurds in Iraq will never again trust Saddam Hussein."

Barzani says that this rejection of a "corrupt and dictatorial regime" is the point of convergence of all opposition in Iraq. It is not only a matter of an agreement in principle, he says, but of a common struggle: first of all, with the other parties belonging to the Juwd, the Democratic National Patriotic Front that since 1980 has included nine groups -- varying greatly in importance -- rallying around the PDK and enjoying broad popular support, especially in the country's northern Kurdish regions. The PDK's relations with organizations such as the Communist Party and the Democratic Rally, both members of the Juwd [sic], are excellent. Outside the Front, they are also on very good terms with progressive groups, particularly the Nasserians, although Barzani does not conceal the persistence of "minor difficulties" regarding the definition and adoption of a unified strategic line "with certain groups."

The fight of the Kurds, Barzani concludes, is mainly developing within the Iraqi state framework, which is why the PDK does not hesitate to cooperate and possibly "coordinate the struggle" with religious organizations in the southern region of the country such as 'Amal Islami and Al-Da'wa. Naturally, the positions of the different Islamic parties with regard to the fight of the Kurds are not always satisfactory or clear, although they do mention the Kurdish identity in their most recent program. But history has demonstrated, our interlocutor concludes, that "all those who have tried to ignore the Kurdish question have had their power broken."

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ARTICLE EXAMINES KURDISH ATTITUDE TOWARD NATIONAL BOUNDARIES

Paris LE MONDE in French 14-15 Oct 84 p 4

[Article by Christiane More, author of "Les Kurdes Aujourd'hui, Mouvement National and Partis Politiques," L'Harmattan, Paris: "The Kurds: Rebels Without Boundaries"]

[Text] Erbil--Khalis, the northernmost palm grove in Iraq, is a required stop of any traveler headed for Kurdistan from Baghdad. The sky is a sandy-hued blue. In the distance, the *djebel* Hamrin, joining the sky with the plain, seems to be a mirage. A few brown spots decorate the background here and there: thorny bushes or animals? Neither. Only tiny houses like flecks of dust on the ground.

Then the mountains take shape and the houses draw closer. The magic of these places, deserted at noon, is reminiscent of Baghdad seen from above. The steel towers themselves seem to have been there from the beginning. Everything is natural here. Is Iraq not the land of contrasts?

We arrive in Erbil, administrative center of the autonomous Kurdish region, which is celebrating "Erbil day" under portraits of the president of the Republic of Iraq. It is the anniversary of his decision a year ago to declare that once the war in the Gulf was over, the city would become the "summer capital" of Iraq. He was then receiving residents who had come to Baghdad to make their financial contribution to the war in the form of gold, jewels or money. Thus, the duality of the Iraqi nation was again spectacularly declared: two peoples (Arabs and Kurds), one nation.

At that same time, Ghassemlou, secretary general of the Democratic Party of the Kurdistan of Iran (PDKI), was 30 miles north of Solymanieh visiting Jalal Talabani, head of the Patriotic Union of the Kurdistan of Iraq (UPK), the main element yet a few months ago of the Kurdish opposition to the government in Baghdad.

How far they have come in 10 years! On 11 March 1974, a vast majority of the Kurds rejected the law of autonomy proposed by Baghdad. Led by Mustapha Barzani, the old charismatic leader of the Democratic Party of the Kurdistan of Iraq (PDK-Iraq) and helped by the Iran of the Shah, they fought against the Iraqi Government. For the Shah of Iran, the aid given to the Iraqi Kurds was

but one card to play in the border conflict over Chatt el Arab, which pitted him against his neighbor, the Kurdish rebellion weakening Iraq. Therefore, when, at the OPEC conference in Algiers on 6 March 1975, Iraq gave up all territorial claims, Iran did away with all aid to Barzani. This meant the collapse of the Kurdish national movement.

Today, the law of autonomy is being implemented in the Iraqi Kurdistan. The PDK-Iraq was split into several organizations. One of them, the pro-government PDK, is led by a former comrade of Barzani: Hachem Aqrawi, who is a member of the current government. What remains of the PDK is led by the sons of Mustapha Barzani (who died in 1979). Since their cooperation with the Islamic Republic of Iran, they have lost the following of many Kurdish opponents. Jalal Talabani, once a young leader of the PDK-Iraq and often in conflict with Barzani, has since 1975 headed the UPK, the largest Kurdish organization in Iraq. The Kurds of Iran, under the direction of two political organizations: the PDKI, led by Ghassembou, and the Komala, a Kurdistan organization of the Iranian Communist Party,<sup>1</sup> and helped by the government in Baghdad, have since the summer of 1979 been in a declared war against the government of the Islamic Republic.

The region of Solymanieh, capital of one of the three provinces in the autonomous region and the stronghold of Talabani, awaits an official announcement of the signing of the agreement on revision of the law of autonomy. The capital of the old principality Baban, built at the foot of a prestigious amphitheater, remains the intellectual center -- always rebellious -- of the entire Kurdistan, although the Kurdish University was transferred to Erbil. Many universities have been created there. Many Kurdish personalities and high officials in the current government are from there, often from large families and at times the descendants of heroes.

For the past two years, there have been no more foreign hostages with Talabani. The rapprochement with Ghassemelou, who absolutely condemns this type of activity, perhaps has something to do with it. Further north, on the Turkish border, the PDK-Iraq of the Barzani sons has just released three Frenchmen held for six months because they were "guilty" of working in Iraq. The PDK still holds a few foreigners and has publicly declared its intention of continuing to capture them to show the "weakness" of the Iraqi Government. But what country in the world could prevent a kidnapping? We shall not go to their general headquarters north of Duhok, capital of the Kurdish province by the same name, for we are coming from Baghdad. Those indomitable members of the opposition do not accept it, distrusting everything and everyone. The Iraqis themselves: Arabs, Turkomans, but Kurds also, fear venturing outside the main northern roads.

Despite its alliance with other Kurdish groups of lesser importance (Pasok, the Socialist Party of the Kurdistan of Iraq) and the Iraqi Communist Party, of which one hears less and less,<sup>2</sup> the PDK-Iraq is losing its influence. In the Erbil region, for example, where it had a strong foothold, old followers of Barzani, who saw in his rival Talabani a "regime mercenary," have changed their minds in recent months. The Barzani sons, up until now considered to be true Kurdish nationalists, have discredited themselves by their alliance with Iran at war with both Iraq and its own Kurds.

The latter cannot accept such an alliance, although at home, they have no rights, either political or cultural, and withstand the bombings, the economic blockade and the destruction of entire villages by the Islamic regime.

To go from Soleymanieh to the Iranian border, one passes by, on the right, Chwarta, a big town on the flank of the mountain before crossing the border. Having passed through the last outpost of the Iraqi Army, one enters a kind of Kurdish Far West. The countryside is bare; the springs and villages are far apart. After the first control post of the UPK, the ruler of the area, one comes to the "liberated zone," where, with the blessing of Baghdad, the polit-buros of the armed opposition to the Khomeyni regime fled following the Iranian attacks of the fall of 1983.

#### Young People of Komala

Every organization has built its own general headquarters, permanent houses for the largest ones, using local techniques: mud and stone walls, poorly squared beams and posts taken from poplars, mud terraces; villages of sheet metal for the others. These quarters run alongside the few villages that exist, their houses half buried in the flank of the mountain and turning it into a giant ladder. Here and there is a contraband market where Adidas "made in Iran," samovars, Iraqi cigarettes and Kalachnikov rifles are mixed with crates of Pepsi Cola and chunks of ice.

Here radio transmitters, field hospitals, training camps, elementary schools and even prisons have been set up again. As we passed by, the head of one of the Komala prisons exhibited the Sardasht chief of police captured only a few days previously and well-treated, like all other prisoners housed along with the guerrillas. To the questions we asked him about the Iranian-Iraqi conflict, the situation of the Kurds from the border region in his city, whose evacuation has just been ordered by Khomeyni, he replies only: "This war is the war of the imperialists." A former officer from the Shah's army, an instructor in one of the training camps only a few steps away from the prison, insists on giving us his name: Shamshedin Aryanejat. He is "proud to place his talent in the service of the Komala communists."

The Komala militants intend to demonstrate that they are, in Kurdistan, a force to be reckoned with. Western media often ignore them; paying a great deal of attention to the PDKI, whose secretary general is a political personality well-known in Iran and abroad, especially in leftist intellectual circles. A shrewd diplomat, occasional poet, convincing and charming, Ghassemlou denigrates these allies, calling the "young people" who head the Komala and the Communist Party of Iran utopians of no importance, always speaking in a joking manner.

The Kurdistan of Iran is strange, with two armed movements fighting over the sympathies of the people. The PDKI brings in volunteer doctors from abroad and organizes vaccination campaigns from which self-seeking concerns are not always absent. The Komala has the dynamism of its members, their generosity, their hatred of compromise. Its resolutely revolutionary and egalitarian ideology attracts many young people to its ranks, with a large contingent of girls.

There are sometimes clashes between *peshmergas* on both sides, but cooperation tends to become the rule. "Now," says Ghassemlou, "we cooperate wherever there is a dangerous military situation. In the recent fighting, *peshmergas* from our party repeatedly fought alongside those of the Komala. I think that that cooperation will develop."

With a dozen *peshmergas*, we went to the Alan region in the district of Sardasht, at the foot of Mount Nori, where there are from 500 to 600 Iranian soldiers. We passed the Komala inspection station, where smugglers pay their "customs duties" in exchange for a very official receipt. This is one of the main resources of the political organizations, which divide up crossing points between Iran and Iraq. Cannons can be heard in the distance. The villages we went through only a few days previously were pounded by heavy guns and mortars by the Iranian Army. They are richer than those we left on the other slope, surrounded by gardens and sumptuous orchards. Inhabitants help the *peshmergas* by offering them a roof over their heads for the night or a meal.

After the Iranian revolution, while nationalists controlled the entire Kurdistan, village councils were elected to manage municipal affairs. Since the army and the *pasdaran*s [professional soldiers] have occupied the country (at least the roads and cities), these councils have gone underground and continue to function.

#### Alternative of the PDKI

Independently of this municipal infrastructure, the political parties have set up committees in every district, in charge of instructing the people, not only in political and military matters, but also in everyday living: education and hygiene. Political meetings are organized in the villages every time a member of the committee passes through. Parwin, a 22-year-old student, joined the Komala just as one would enter an order, following the Islamic revolution. A member of the Alan committee, she knows who can welcome us in the village we reach after a five-hour walk. Laying down her Kalachnikov and the heavy ammunition belt, she helps the mother prepare the meal. She then organizes a meeting with the theme: How we can oppose the decision of the Islamic regime made on 14 August to evacuate 66 villages in the Sardasht region? Major Amassur, member of the Central Committee of the Communist Party of Iran, explains: "It is a sign of weakness on the part of the regime, which, unable to control the movements of the *peshmergas*, now goes after the people of the villages where they find aid." Shaykh Ezzedine, in his sheet metal camp near that of the Komala, exclaims: "In the name of God, tell the world that the Iranian Government wants to evacuate zones inhabited by the Kurds in order to establish its government, that it harasses the Kurdish people to separate them from their *peshmergas*. Khomeyni is in the process of destroying all life in the Alan and Seusni regions. Tell people that there is in this country a nation suffering from injustice and that is resisting in order to have the right to self-determination."

Shaykh Ezzedine confesses his pessimism about the future of Iran, despite his faith in revolutionary movements, particularly the Komala.



Interviewed in his new stronghold, a three-hour walk from the general headquarters of the Komala, Ghassemloo deems the economic situation of Iran a "castrophe," with industrial production stagnant, farm production dropping, unemployment rising, basic products rationed and inflation unchecked." He adds: "If oil exports are blocked, Iran will suffocate." On the political and military levels, the secretary general of the PDKI believes that the Tehran regime is at an impasse: "The Islamic Republic cannot attack Iraq on the southern front and its two latest attacks on the northern front in the regions of Sardashi and Mahabad (against Iraq and the Kurds of Iran) have been a total failure. The Iranian Army is falling apart. Dozens of officers are deserting and joining the ranks of the PDKI or crossing over into Iraq because they do not want to defend the government of the mullahs. The Khomeyni regime is not lasting because it is strong but because there are no replacements." This is nearly the same thing we had heard a few days earlier from Ibrahim Alizadeh. It is the language of all Iranian dissidents. However, unlike the Komala and the Fedayeen Khalq minority (another Marxist-Leninist group in the Kurdistan), the PDKI believes that the National Council of the Resistance<sup>3</sup> is the only democratic alternative to the Khomeyni regime. The Mojahedin Khalq (of the

people), "progressive" Shiite Muslims, are, with the PDKI, the main element of the CNR that Bani Sadr left in April 1984. This association of their ally is violently condemned by the Komala and the Fedayeen. The PDKI cares little, deeming that the Mojahedin are the only credible political force in Iran and, what is more, the first Iranian organization to accept a program of autonomy for all the peoples of Iran.

#### Same Side of the Barricade

All these Iranian movements are now allied with Iraq, the first and only country to have created an autonomous region in Kurdistan. Has this autonomous region become the place of convergence of the Kurdish autonomists (at least those of Iraq and Iran) or is it the scene, ten years later, of a repetition of history, as certain foreign observers think, suspecting Ghassemlou of being the Barzani (of the years 1974-1975) of the Kurds of Iran? The secretary general of the PDKI vehemently denies this, having written in 1977: "The sad end of the movement headed by Barzani shows that it is dangerous, if not tragic, to make Machiavellianism the credo of the political struggle and to sacrifice the very principles of national liberation for ephemeral tactical advantages."<sup>4</sup>

While the political bureaus of the main Iranian opposition parties: the PDKI, the Komala, but also the Mojahedin Khalq, the Fedayeen Khalq-minority have dug in on the Iranian-Iraqi border and the peshmergas exclusively use Iraq as a way of passage abroad, Ghassemlou does not consider himself the hostage of the government in Baghdad: "If you look at a map of Kurdistan, you will understand that we are surrounded geopolitically. Geographically also, because we have no access to the sea. Political, because the surrounding countries are scarcely friendly to the Kurds (the least one can say about the Turkish Republic). If a government allows us, without any precondition, to have a passage abroad, we accept such cooperation. That is the case of the Iraqi Government. We, the Kurds and the Iraqi Government, are at war with the Khomeyni regime. We are on the same side of the barricade, but we are not fighting the Khomeyni regime for the Iraqi Government. Our fight began long before the Iranian-Iraqi war. Nevertheless, our fight is aid to the Iraqi Government. There is consequently cooperation that we deem legitimate since the liberation movement of the Kurdish people in Iran is helped by it. We shall never do what Mustapha Barzani did several times and what his sons Mas'ud and Idriss are now doing, namely, engaging in an alliance with a foreign government that would harm the Kurdish people. Our alliance with Iraq is not against the Kurds of Iraq." The leaders of the Komala, less suspected of being dependent on Baghdad, make the same analysis.

#### Hope in Iraq

The Iraqi authorities say they are helping the Kurds of Iran because their struggle, whose purpose is Iran's recognition of the rights that Iraq has granted its Kurds, is legitimate. Hachem Aqrabi, minister and secretary general of the pro-government PDK, told us: "We obtained what we were fighting for: autonomy and we hope that the Kurds of Iran and Turkey will have the same rights we enjoy. It is true that for the time being, the major plans are decided in Baghdad, but in the future, the autonomous region will have more and more power. The fact nevertheless remains that the harnessing of a river far surpasses the

narrow framework of a region. Our experience is original. For the first time, there is hope for the Kurds and it is in Iraq. With the pen and education, we are developing and that is our victory."

The Iraq of 1984 is not the Iran of 1975. The autonomous region, as it is, does exist and the Kurdish leaders in Erbil, Soleymanieh, Duhok or Baghdad are not puppets. They are there as Kurds. And their brothers in Iran do not fear that an Iran-Iraq agreement will be reached at their expense because they are relying first and foremost on their own forces. The support they find in Iraq remains marginal. The peshmergas mainly use individual weapons available on the vast "Kalachnikov market" in the Middle East. Furthermore, while they have the support of Iraq, they also have that of the main Kurdish organization in Iraq, which is in the process of negotiating with Baghdad. The traditional bipolar association of a Kurdish movement with the central government of the neighboring country is replaced by that of a central government (Iraq) and the Kurdish movement of the neighboring country, whose great majority (the PDKI, the Komala) is allied with one of the Kurdish movements of Iraq (the UPK). Thus a sudden reversal of alliances, comparable to the March 1975 Algiers accord, would not lead the Kurdish nationalist movement to catastrophe. In that sense, the optimism of the Kurdish leaders of Iran is probably not unjustified.

#### FOOTNOTES

1. The Communist Party of Iran was formed in September 1983 by the grouping of several Marxist-Leninist organizations, in opposition to the pro-Soviet Tudeh. It is headed by one of the founders of the Komala in 1969: Abdullah Mohtadeh, a Kurd from Bikan.
2. The Iraqi Communist Party, which was a powerful and well-organized party, has trouble assuming its contradictions: A pro-Soviet party, it fights militarily against a government supported by the Soviet Union.
3. The National Council of the Resistance was set up in October 1981 at the prompting of Mas'ud Rajavi, head of the Mojahedin of the People, and Bani Sadr, former president of the Republic of Iran in exile, in order, upon the fall of Khomeyni, to set up a provisional government of Iran and organize elections. The PDK joined it on 27 October 1981.
4. In "The Kurds and Kurdistan" (Petite Collection Maspero).

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CSO: 4619/6

# MINISTER TALKS ABOUT ELECTIONS

Islamabad THE MUSLIM in English 2 Nov 84 p 8

[Text] ISLAMABAD, Nov. 1: Mahmood A. Haroon, Minister for Interior and Chairman Election Co-ordination Committee, said here today the government will not allow the Ministers and members of the Majlis-e-Shoora to use official influence in the forthcoming elections.

He was talking to another group of public representatives from Jhelum district who called on him at his office. He said those who are holding any official position will take part in the elections purely in their personal capacity as ordinary citizens of the country.

Mr. Haroon further said that the Election Commission could exercise its authority to disqualify such candidates who try to take advantage of their official position.

The Interior Minister disclosed that the government was issuing strict orders that no candidate should be given any preferential treatment. Stern action would be taken if any official was found guilty of being partial to any candidate.

He reiterated the government's determination to see that the coming polls can take place in a fair and impartial manner. The government has not formed a party of its own and has repeatedly made it clear that it will not support any candidate, he added.

Mr. Haroon said that the government would be justified in expecting that criterion for casting votes would in no case be the candidates' status or wealth.

He said the government hoped that the voters would elect only such persons who adhere to the Islamic ideology and who can sacrifice personal interests for the na-

tional cause.

The Chairman of the Coordination Committee stated that government could not entrust the national responsibilities to such persons who might harm security and integrity of the country.

He reminded the people that the Muslims are a nation of distinctive character and their thinking and way of life is based on the principles laid down in the Quran and Sunnah. Those who do not believe in this fact have no right to claim to represent the people of this country.

The Minister urged the people to send only such persons to the assemblies who do not deviate from the fundamentals of Islam and ideology of the country.

Replying to a suggestion to give more than 35 days for electioneering, he said the genuine candidates who have their roots among the masses and who do not appear only at the time of elections would not need too long period for election campaign.

The Interior Minister assured the people that the next elections will be altogether different from the traditional elections of the past.

He denied that the Election Commission was not registering fresh votes. He advised those who wanted to enlist their names as voters to approach the election authority for this purpose.

Answering a question, he said it was incorrect that a birth certificate is required for getting national identity card. He said he would be giving necessary instructions to registration organisation to remove any difficulty in preparing identity cards.—APP

# SOVIET AMBASSADOR TALKS ABOUT 'OBSTACLES' IN PAKISTAN-USSR RELATIONS

Karachi DAWN in English 19 Nov 84 pp 1, 8

[Text] Karachi, Nov 18: Soviet Ambassador Vitaly S. Smirnov said here on Sunday evening that his country attached significant attention to its relations with Pakistan, "which is close to our borders."

Speaking at Karachi Press Club, he said that the Soviet Union had been striving for good-neighbourly and friendly relations with Pakistan. "This is our principled stand in relations with all nations, and Pakistan is not an exception."

Mr. Smirnov said that the construction of Pakistan Steel Mills near Karachi was a vivid example of the Soviet Union's assistance to Pakistan. He also referred to Soviet assistance in the field of developing power resources, and oil and gas exploration. "The Soviet people believe that the relations between our nations will develop in future on the basis of good-neighbourliness and cooperation," the Ambassador said.

However, he said that there were three main obstacles in the development of Soviet-Pakistan relations--namely an increase in Pakistan's "involvement" in the events in Afghanistan, discrimination against the Soviet Embassy and other missions, and anti-Soviet propaganda in Pakistan.

About the Soviet stand on settlement of the situation around Afghanistan, he said: "We are for an immediate end to the aggression and all kinds of interference in domestic Afghan affairs under effective international guarantees."

He advocated direct talks between the Kabul authorities and neighbouring countries, particularly Pakistan, "to settle all mutual issues and to establish good-neighbourly, friendly relations."

He added that the indirect Geneva talks between Kabul's representatives and Pakistan were a means to finding a political solution to the situation. "That is why we consider it as a step in the right direction," Mr. Smirnov remarked. He said that the Soviet Union supported Kabul's programme for a political settlement put forward on May 14, 1980.

The Soviet Ambassador said that the sooner an agreement banning what he described as interference in the affairs of Afghanistan was signed and came into force, the sooner the withdrawal of the Soviet troops would begin and be completed.

About the Afghan refugees, he said that the Kabul regime had expressed its "readiness to help repatriate Afghans who for one reason or another were living on the territory of neighbouring countries. All repatriates would be guaranteed personal liberty and inviolability, the right to choose their place of residence and occupation."

He told a questioner that USSR would not be able to participate with Pakistan in the construction of a nuclear power plant. However agreement already reached would be fulfilled, he said.

He told another questioner that the Soviet Union did not refuse Pakistan's Foreign Secretary a visit to Moscow recently. "We could not arrange a meeting at that time," he said.

Asked about the possibility of war between Pakistan and India, the Soviet envoy said: "We are in favour of resolving disputes through peaceful negotiations. We would not like that there should be any conflict in this region as it would be converted into World War III."

The aim of the Soviet foreign policy is not to have war but to live in peace with all countries."

He also did not agree with a questioner that there might be escalation of hostilities against Pakistan from Afghanistan in future.

He stressed that a prominent place in the Soviet Union's relations with the newly-free countries was taken by "our cooperation with India. We welcome the increasing role played by that State in international affairs. Our relations with India are not directed against any other third party," he added.

Mr. Abdul Hameed Chappra, President, Karachi Press Club, also spoke on the occasion.  
--APP/PPI.

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PAKISTAN-ROMANIA COMMISSION TO MEET

Karachi DAWN in English 19 Nov 84 p 1

[Text] Rawalpindi, Nov 18: The Romanian Ambassador to Pakistan Mr. Constantin Burada today said Pak-Romania Joint Commission will meet in Islamabad from Dec 11 to 13, this year to explore further venues of trade and economic collaboration between the two countries.

Mr Constantin told newsmen at his Islamabad residence, the Romanian team, to be led by its Deputy Prime Minister, Mr. Nicolae, during its stay here will discuss the matter of mutual interest with Pakistani officials.

A Pak-Romanian Economic Committee, he said was also expected to meet soon in this connection to determine the possibility of further cooperation in the field of petrochemical, geology and oil refinery.

The Ambassador predicted more social and economic changes in Romania during the next 5th Five-Year-Development Plan beginning from 1986. Romania, he hoped, will be a complete what he described "developed socialist country" in near future.

The Ambassador described Pak-Romanian relations as excellent which he said will flourish further in future. He recalled a number of development projects in Pakistan which he said was set up under Pak-Romania collaboration.

The Ambassador said Romania like to offer Pakistan more academic scholarships for higher study if it could fully utilise. The Ambassador said that the number of scholarships offered by Romania was reduced in past because of certain reasons.

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REPLACING FIVE-YEAR PLAN TERMED 'EXERCISE IN ADHOCRACY'

Karachi DAWN in English 19 Nov 84 p 1

[Text] Islamabad, Nov 18: Prof Khurshid Ahmed, Chairman, Institute of Policy Planning Studies and former Deputy Chairman, Planning Commission described the government's decision to replace the 6th Five-year Plan public sector programme with a three-year rolling plan as an "exercise in adhocracy."

Addressing a Press conference here today, he said that the authors of the 6th Plan in order to cover up their original failure to prepare a realistic mid-term plan have now decided to opt for a short term rolling plan.

He recalled that in 1978 as Deputy Chairman of the Planning Commission he promoted for the first time in Pakistan the concept of three-year rolling plans but added that this concept cannot work if it is made use of on an adhoc basis and without taking into consideration all the relevant factors that go into making it a viable planning concept.

Energy Programme

Referring to the 6th plan's energy programme he said no civilised society can accept load-shedding as an answer to energy crisis. It symbolises absence of policy and planning and not otherwise, he added.

He thought sending some of the productive sectors of the economy on "summer vacations" and "winter holidays" was no tribute to the planners and agencies responsible for running the economy.

He said that what was required was a change in the modes of perception and added that the energy policies projected in the annual plans of the 6th Plan deserved to be scrutinised on the assumption that economies cannot proceed on long vacations.

While complimenting the government on taking in hand a crash programme for oil exploration he expressed his concern over the energy projections of the 6th Plan which envisage increasing dependence on imported energy, from 35 per cent in the beginning to 38 per cent at the end with a new import liability going up from \$1,361 million to \$2,337 million.

This he said would eat away over two-thirds of the total export earnings of the country and the remaining one-third, he added, would be devoured by debt servicing and amortisation.

In the light of this, he said it was imperative in the interest of Pakistan that the Government should take immediate corrective actions for revising the 6th Plan.

In this connection he referred to suggestions made in an IPS study "Energy and economic growth in Pakistan 1984-85" prepared by a member of his institute, Dr. Saeed Ahmed Rashed, who was also present at the Press conference.

#### Dependence

Quoting from this study Prof Khurshid Ahmed said that dependence on non-renewable energy sources which at present supply 80 per cent of the total should be systematically and drastically reduced.

He said, this could be done by resorting to energy conservation and optimal utilisation through better management and recycling and by substitution of oil and gas by renewable energy sources.

Discussing imported technology in the context of energy, he said "we must not become a dustbin for the discarded technologies of the West" which according to him were highly energy intensive.

He said a major decision was also needed to systematically curb the use of oil and oil-dependent technology and to switch over to alternate technologies. Energy planning requires not only additional production of commercial energy but also its thermodynamically efficient utilisation.

In this connection he suggested that energy-auditing be introduced in all sections of economy, transport, industry, business and households and shadow prices be used in project-appraisal to implement a conscious decision to bring about non-renewable energy saving or shift towards new technologies.

He said the entire development strategy would have to be rethought in view of the energy constraints and prospects, and added that a crash programme of expansion and utilisation of natural gas for its optimal use for the decade and a half should be taken in hand along with due emphasis on research and development in order to actually harness the renewable sources of energy particularly hydroelectricity, nuclear power, solar energy and other presently used non-commercial resources of energy which provide about 50 per cent of country's energy requirements.

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NO DECISION TAKEN ON AFGHAN DEFECTORS' ASYLUM REQUESTS

Karachi DAWN in English 19 Nov 84 pp 1, 2

[Text] Islamabad, Nov 18: A Foreign Office spokesman said here on Sunday that the request of a number of former members of the Afghan armed forces, who defected to Pakistan in September and October this year, for asylum were still under consideration.

Five officers and men of the Afghan Air Force had landed in Miranshah on September 22 and sought asylum while three weeks later an officer and two men of the Afghan armed forces who crossed into Pakistan along the Baluchistan border made similar request.

The spokesman, who was answering newsmen's questions, said that the Afghan officers were still being questioned by the relevant authorities before action on their request for asylum could be decided.

Meanwhile, the aircraft by which the Afghan officers landed at Miranshah and the armoured personnel carrier which crossed into Baluchistan, had been impounded by Pakistan.

The spokesman expressed Pakistan Government's gratification on the increased support to the Afghanistan resolution in United Nations General Assembly calling on for a political settlement of the Afghanistan question.

He said the resolution clearly and categorically rejected once again foreign military intervention in Afghanistan. In all 119 States cast their votes in favour of the resolution co-sponsored by Pakistan, while 20 voted against, and 14 abstained.

The spokesman, however, expressed dismay over India's abstention and at the negative votes cast by Libya, Syria and Democratic Yemen.

He said that India's abstention as in the past, was specially disappointing because it was the current Chairman of the Non-aligned Movement, a vast number of whose members supported the Afghanistan resolution demanding withdrawal of foreign troops and political settlement in accordance with the wishes of the Afghan people.

As hitherto, Pakistan would continue to persuade Libya, Syria and South Yemen, members of OIC, to extend their support to Afghanistan resolution, he said.

APP adds:

Answering questions on border violations, the spokesman said that only those violations were reported to the United Nations Secretary General in which casualties took place or people were injured.

According to him, during the current year 70 to 90 such violations had taken place, 30 to 40 on the land and 40 to 50 in the air, resulting in killing of over 100 persons and injuries to "another 100 or so."

He said the air violations were so short and brief that it was not possible for Pakistan to check the intruding Afghan aircraft.

Asked if Pakistan had resorted to counter firing in the case of shelling from across the border in Afghanistan, the spokesman replied in the negative. Pakistan security forces also did not even allow Afghan refugees to resort to counter firing, he said.

Meanwhile, according to a BBC report a senior Afghan resistance leader has said the Soviet forces have taken new measures to stop guerillas crossing into Afghanistan. He said some 80 Afghan guerillas, some of them senior leaders, had been killed while trying to cross the border during the past two months.

He said the Soviets have deployed tanks all the way from the border to beyond the city of Qandahar, and have also increased helicopter gunship patrols. He added that Soviet forces have deployed a security ring in the region, making it impossible to transport supplies to Afghan resistance groups inside Afghanistan, and that the Afghans fighting there would soon feel the shortages of supplies.

Meanwhile, Afghanistan has lodged a protest to Pakistan over a firing incident inside Afghanistan, Radio Moscow reported late on Sunday night.

The Afghan protest claimed that Pakistan forces opened fire on the border region. There was no word about casualties.

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SIND'S GRIEVANCES VOICED

Karachi DAWN in English 19 Nov 84 p 2

[Text] Hyderabad, Nov 18: The Convener, Sind Unity Board, Mr Mahmoodul Haq Usmani, has said that the basic objectives of the Board were to forge unity among all the people living in Sind and to restore democracy. In furtherance of these objectives, the Board had already achieved a good deal.

He appealed to all the people to support these noble objectives and cooperate with the Board in this respect.

Addressing the members of Hyderabad Bar Association here on Sunday after arrival from Mirpurkhas, Mr Usmani categorically stated that all the people living in Sind had equal rights and Sind and Pakistan were inseparable. He said that there was no doubt that the interests of Sind had been jeopardised and the glaring example was the wrong distribution of river Indus water.

Paying tributes to Old Sindhis, he said, Sind was the first province in the Sub-continent to vote for Pakistan, and Sindhis were so large-hearted that "they provided us their houses to live in, food to eat, and behaved like blood brothers".

He said if Sindhis demanded their rights why should they be dubbed as traitors, adding, that this line of thinking was deplorable.

Earlier, Prof Shah Fairdul Haq said that the Board was striving to remove misunderstandings and misgivings among various people living in Sind for the collective interests of all. He said that during the last seven years all the citizens of Pakistan were suffering from a sense of deprivation and the rights of the people had been trampled time and again. He said the situation had become so alarming that even the very existence of Pakistan was being made the subject of discussion.

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